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8 March 1982

LATIN AMERICA REPORT

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SECRETARIAT STUDY SEES GROWTH IN PETROCHEMICAL DEMAND

Mexico City EL SOL DE MEXICO in Spanish 2 Feb 82 p B-1

[Text] National demand for petrochemicals will show an annual rate of growth of 24.6 percent in the next triennium, which means that production should be about 11.5 million tons by 1985. The foregoing was disclosed by the Programming and Budget Secretariat (SPP) on the basis of a specific projection study of the consumption of petrochemicals by Mexican industries.

The study made known by the SPP estimates that the demand anticipated for 1985 will encompass 36.5 percent in natural gas derivatives, especially ammonia; 25.8 percent in aromatics; 24.6 percent in ethylene and its derivatives; 11.8 percent in propylene and its derivatives; and 1.3 percent in butadiene.

Such expectations of growth in the demand for basic petrochemicals also reflect ambitious perspectives for methanol and the aromatics, whose annual production will go up to 46 percent and 34 percent, respectively.

It is disclosed in that study undertaken by the general directorate of Economic Fields Analysis that in order to satisfy the requirements of the national petrochemical industry and to take advantage of the petroleum resources, "PEMEX has developed a program of expansion of the installed capacity, which in the aforementioned products it is estimated will reach 14 million tons in 1985." If this is so, the increase in the installed plant capacity will be carried out at a rate of 28.6 percent annually.

The study says that if the proposed expansion and capacity goals are attained on a timely basis, the production of basic petrochemicals in 1985 will be 3.7 times greater than in 1980 and will be able to satisfy the national demand.

8414

CSO: 3010/785

BRIEFS

PEMEX SALARY BUDGET INDICATED--Reynosa, Tamaulipas, 1 Feb 82--Of the 6.7 billion pesos comprising the budget of the Northwest Border district of PEMEX, 3.8 billion pesos are allocated for wages and benefits for the workers and employees of the enterprise. Engineer Mario Villalobos Luna disclosed that works amounting to 502 million pesos were carried out in this district, which encompasses 10 of the country's northern states with an area of 1 million square meters. Villalobos Luna, whose dismissal as superintendent of the Northwest Border district at the instigation of leaders Joaquin Hernandez Galicia and Salvador Barragan Camacho had been publicly announced by PEMEX, unexpectedly remained in his post, and the official who had been named to replace him, engineer Luciano Flores, was assigned to another assistant superintendency. Some 5,000 petroleum plant workers and officials receive this multimillion dole which, in the opinion of leaders of the labor sector themselves, including Prof Carlos A. Gonzalez, creates an inflationary situation that affects 98 percent of the population, who for the most part depend on the countryside and industry and whose wages are minimal. [Text] [Mexico City EL SOL DE MEXICO in Spanish 2 Feb 82 p B-1] 8414

OIL AGREEMENT WITH ITALY--Rome, 3 Feb 82--The state enterprise Mexican Petroleum (PEMEX) and the Italian group Montedison, which is engaged in the petroleum and petrochemical field, have just signed an agreement under which the Italian company will process 100,000 tons of crude annually on behalf of the Mexican concern. This was announced here today by spokesmen of Montedison, which handles a substantial portion of the Italian chemical industry and went into private hands last year. The contract was signed a few days ago by representatives of the two companies. [Mexico City EL DIA in Spanish 4 Feb 82 p 12] 8414

CSO: 3010/785

SENATOR SAYS TEXACO READY TO SELL OUT; UNION EYES CUTBACKS

Chow Warning

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jan 82 p 1

[Text]

AN INDEPENDENT senator has warned that Texaco Trinidad is ready to sell out its local operations and that the Government partnership with Trinidad Tesoro may break up, because of a critical decline in the fortunes of the oil industry.

Senator Alwyn Chow, speaking yesterday during the debate on the 1982 Budget, warned that the petroleum sector was in disarray with crude oil production and refining on the downgrade, with no commercially viable markets for abundant natural gas.

Noting that the "cash cow" of petroleum was now being transformed into a lame duck, he said that Trintoc, Texaco and Trinidad Tesoro were all in a state of crisis from which there was no easy or cheap way out.

Texaco was using only 33 per cent of its refining capacity, and much of its plant was obsolete and inefficient, causing the refinery to lose money. It was in need of a \$500 million refinery upgrading but he could not see the company spending that sum on a losing venture.

"I feel that Texaco is ready, willing and able to discontinue operations in Trinidad and Tobago and will be quite willing to sell if the price is right," he declared.

DRASTIC DECLINE

After an excellent period between 1969-1981, he found that Trinidad Tesoro's

fortunes had declined drastically, mostly because of the 1981 Petroleum Taxes Act, which had seriously depleted accumulated reserves.

Senator Chow commented that the situation had reached such an impasse that the company's 1981/82 budget had not been approved and all capital projects had been put in cold storage.

He cautioned that this might lead to the break-up of the partnership between the Tesoro Corporation and Government, and cause a government takeover under acrimonious circumstances.

In the case of Trintoc, he revealed that the refinery was losing money heavily, and should cause a \$500 million loss between 1982-85. He added that the refinery was refining and selling oil at a smaller price than it paid for the crude oil.

The senator stated that Trintoc was now producing a large per cent of relatively cheap fuel oil and not much of the expensive and lighter fuels, and the solution was to upgrade the refinery to make more profitable products.

But that would cost between \$800 million and \$1 billion dollars, the kind of money he was not sure we

could afford in these circumstances. The choice was either to close down the refinery or upgrade it at massive cost with no guarantee of return of investment.

Looking at the oil picture as a whole, Senator Chow found it fraught with uncertainties. He said it was a fragile and tenuous assumption that levels of oil revenue would hold at current rates over the next few years.

HARD DECISIONS

The two local refineries were both losing money and working much under capacity. There was a good supply of natural gas, but gas could not be expected to make serious contributions to the gross revenue.

Instead, Government was using it as a fuel for Point Lisas and local industries, and selling it as one third the normal price in the United States, explained Senator Chow.

With the establishment of an LNG plant there could be a market in the U.S. but the plant would cost \$1.5 to \$2.5 billion, with a projected but by no means certain return of \$365 to \$700 million for the next 50 years. He asked about the wisdom of

spending such a huge sum on one project and told the Senate that it was time to make hard decisions about the use of oil revenue in hand.

Counting an upgrading of Trintoc's refinery, the LNG plant, a possible takeover of Texaco and Trinidad Tesoro, and other expensive projects Senator Chow could envisage calls on the Consolidated Fund of well up to \$20 billion.

"Crude oil has to be the lifeblood of the economy and we cannot accept decline in product or reserves," he said, calling for a review of exploration allowances as one way to stem the tide.

Taking the Budget as a whole the senator expressed disappointment, and argued that Government had lost a chance to make it a year of decision and change.

He saw it as "more of the same" and a mild innocuous placebo that had given rise to too many committees, reviews and consultations. "I expect a blizzard of paper and see 1982 as a year of reports," he commented.

Senator Chow also criticised BWIA for paying too much for fuel in the

Eastern Caribbean, and called for the return of Ca-

roni land to the people of that county. Settlements in the North coast and the

Northwest peninsula were proposed, together with a complete review of the

Town and Country Planning Division.

Union Action

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jan 82 p 1

[Text]

SAN FERNANDO:

A SERIOUS situation is developing at Texaco Trinidad Inc., Pointe-a-Pierre, and that concerns a further drop in refinery's throughput production.

The company said yesterday refining is currently running at 115,000 barrels a day in line with market demand.

Earlier this month Minister of Energy and Natural Resources, Mr Patrick Manning, was reported to have said that Texaco Trinidad Inc., had cut back its throughput by 220,000 barrels from a maximum 350,000 barrels daily.

He made the comment after visiting Trintoc, Amoco and Texaco.

The Minister warned that the decline in refinery throughput and the petroleum industry itself would affect Government's development project because of cutbacks in revenues.

Referring to Texaco's drastic cut in production, Mr George Weekes, President General of Oilfields Workers Trade Union said yesterday that his union's general council, which meets tomorrow, will discuss the situation and send off a letter to the competent authority.

Mr Weekes described the drop in throughput as "a very

serious and disturbing situation." He said the general council would decide on what it should take in the matter.

Mr Weekes said when the union meets with Mr Manning early next week opportunity will be taken to discuss the situation at Texaco.

NO ACCIDENT

He said what was happening at Texaco Trinidad Inc., was not an accident. It had to do with Texaco's global strategy. "They could increase or decrease production whenever they wanted to do so as part of their deliberate global strategy as a multinational."

He said if tomorrow Texaco wanted to run the refinery at full capacity that decision would be taken by its New York office. "The managers in Trinidad don't determine or make such decisions," he stated.

Mr Weekes was sure that what was happening in the company's Trinidad operations, was being dictated by its New York managers.

Meanwhile, Texaco Inc., said that all benefits had been paid to all 47 workers who accepted the voluntary retirement plan. The company stated late last year that 1,500 workers were eligible to accept the offer.

Potential Union Blowup

Port-of-Spain TRINIDAD GUARDIAN in English 30 Jan 82 p 7

[Text]

SAN FERNANDO:

A ROW is brewing between Oilfields Workers Trade Union (OWTU) and Texaco Trinidad Inc. over what has been described as a "conflict of interest policy statement" by the company to its workers.

Mr George Weekes, OWTU president general, has sent a letter dated January 20 to Mr John Andrews, personnel division manager, calling on

the company to withdraw the statement.

Mr Weekes warned the company that failure to do so could lead to protest actions.

The company is already facing problems with the oil glut on the world market, and cutback in refining production.

Mr Weekes said that members of his union advised him about a "disturbing, if not potentially explosive situation" that is brewing at the company over the statement.

The statement was issued, it was pointed out, on December 29, and forwarded to him early this month.

The OWTU leader told Mr Andrews that he (Mr Weekes) was informed by officers of the Texaco monthly-paid branch that at a meeting on January 18, held to discuss the said policy statement "you informed them that this conflict of interest policy statement was explained to me by your general manager and further implied that the issue of the policy was beyond the

branch's level of authority."

Mr Weekes informed Mr Andrews "the two above statements as reported by the branch are not only incorrect but mischievous.

"I never had any discussion with the general manager concerning the issue of this policy.

The first time I saw the said policy was when it came to me by letter on January," said the union leader.

He told Mr Andrews that the union was willing to hold urgent discussions with him concerning the issue.

Texaco Denial

Port-of-Spain TRINIDAD GUARDIAN in English 2 Feb 82 p 1

[Text]

SAN FERNANDO:
TEXACO Trinidad Inc. has suggested that independent

Senator Alwyn Chow be asked his source of information concerning a statement

reportedly made by him in the Senate last week that

Texaco Trinidad is ready to sell out its local operations.

After the publication of the statement last Friday Texaco was asked to comment.

A Texaco spokesman said the company has not said it was ready to sell out its local operations. The spokesman said: "We suggest you ask Senator Chow for the source

of his information where he said Texaco Trinidad Inc. is ready to sell out its operations because Texaco Trinidad Inc. did not say so."

Union Appeal to Government

Port-of-Spain TRINIDAD GUARDIAN in English 5 Feb 82 p 1

[Text]

OILFIELDS Workers Trade Union wants a clear and positive statement on Government's stand concerning the present situation in the oil industry in Trinidad and Tobago.

And towards that end, the union, through President General George Weekes, has written Minister of Energy and Natural Resources, Mr Patrick Manning, asking him to state what is the Government's position, while informing the Minister that the union knows its own position.

The OWTU's General Council which met recently said that it is concerned about the rapidly deteriorating situation in the petroleum industry, while noting in particular a recent statement

by Minister Manning concerning the slashing of production by Texaco Trinidad Inc. and the warning of the effect decline in refinery throughput and the petroleum industry will have on Government's development projects.

In view of the reported deteriorating situation in the petroleum industry, with particular reference to Texaco Trinidad Inc. where refining has been cut drastically, the OWTU has summoned all shop stewards and branch officers representing Texaco workers, to a special meeting to be held at Paramount Building, Circular Road, San Fernando, on Wednesday, February 10, at 1.30 p.m. to discuss the situation.

Oilworkers generally have been asking questions concerning the future operations

of Texaco Trinidad Inc. and they are becoming a little uneasy because of the company's recent move in which it offered voluntary retirement.

The voluntary retirement plan, coupled with cutback in refinery throughput production at Pointe-a-Pierre, have given rise to speculation that the company was contemplating selling out its Trinidad operations.

Texaco has already said that it did not say it was selling out its local operations when asked to comment on a statement made by Independent Senator Alwyn Chow who was reported to have said that Texaco was ready to sell out its local operation.

CSO: 3025/167

POPULATION SHIFTS BRING NEW SEATS TO HOUSE OF ASSEMBLY

Nassau THE TRIBUNE in English 13 Jan 82 pp 1, 12

[Article by Gladstone Thurston]

[Excerpts]

THE HOUSE of Assembly this morning unanimously approved the draft order made by Governor-General Sir Gerald Cash that the constituencies in the Bahamas be increased by five.

The draft order made by the Governor-General under Article 70(7) of the Constitution was in accordance with the recommendations of the Constituencies Commission that there be a total of 43 seats in the House of Assembly.

The Commission recommended that there be three additional seats in New Providence — Yamacraw, Balliou Hills, and Holy Cross — one more in Grand Bahama — Marco City — and that Bimini and the Berry Islands be combined in a separate constituency.

The official opposition Free National Movement had no objections to the increase in constituencies, and in the words of High Rock MP Maurice Moore: "The basis on

which the seats were divided, I think was fair."

However, minority opposition leader Norman Solomon felt that his Social Democratic Party should have been consulted for its input as he felt the constituency of St John's, which he represented, was too large.

Mr Moore responded that at no time when Mr Solomon was Leader of the Opposition did he ever consult with the FNM on any matter.

In moving for the adoption of the report, Prime Minister Lynden Pindling stressed that the Commission's report was unanimous. It marked just the second occasion since the PLP came to power, he said, that a report from the Constituencies Commission has been unanimous.

"It attests to the maturity and fairness of the report," Mr Pindling said.

Referring to the statistics, Mr Pindling said that Montagu's population increased by 81 percent in

1980 over 1970. In Fox Hill the increase was 86 percent. In Pinedale the increase was 117 percent, South Beach had an increase of 135 percent. Bamboo Town had an increase of 174 percent and Carmichael had an increase of 198 percent.

"It shows clearly that there has been over the last ten years a tremendous shift in population to the suburbs of New Providence from the south east to the southwest," Mr Pindling said.

Similarly in Grand Bahama, he said, there were shifts in population. The population in Pineridge increased by 43 percent. High Rock experienced an increase of 43 percent also.

In the Family Islands, he said, the most significant growth was in Grand Bahama. By the end of November last year, 2,648 had registered in the West End-Bimini constituency. In Pineridge 2,052 had registered. In High Rock, 4,768 had registered.

CSO: 3025/168

SDP'S SOLOMON, LIGHTBOURNE SWITCH ELECTORAL DISTRICTS

Nassau THE TRIBUNE in English 21 Jan 82 p 1

[Excerpts]

THREE days after a report was leaked to this newspaper about the matter the Social Democratic Party officially announced today that party leader Norman Solomon and MP Michael Lightbourn "will not be seeking re-election" in their respective out island constituencies.

Mr Solomon is to seek the Montagu seat in Nassau after representing St John's for the past 15 years and Mr Lightbourn is to run for the new Yamacraw seat in East Nassau after representing first Clarence Town, Long Island and then Marsh Harbour, Abaco, for the past 10 years.

Both Mr Solomon, 52, and Mr Lightbourn, 39, gave identical reasons for changing constituencies. They said their constituency areas were too large which made "enormous personal and physical demands upon them."

The Free National Movement, now in convention, is on record as saying they would not oppose either Mr Solomon or Mr Lightbourn in their respective island constituencies.

The announcement by the two SDP men to run in Nassau districts now frees the FNM to announce candidates for both areas. No mention was made in the SDP release today as to whether other SDP candidates would be fielded in either St John's or Marsh Harbour.

But the announcement means that a three-way political contest now seems inevitable in both the Montagu and Yamacraw areas where Mr Orville Turnquest has been nominated by the FNM for Montagu and Mrs Henry Boatwick has been tipped as the likely FNM candidate for Yamacraw.

CSO: 3025/168

NEW APPOINTMENTS MADE IN MINISTRY OF TRANSPORT

Nassau THE TRIBUNE in English 25 Jan 82 p 6

[Text]

THE MINISTER of Transport has announced two new appointments to his Ministry as of November 1, 1981.

Mr Christopher C Burrows was transferred from the Ministry of Works to the post of Acting Deputy Permanent Secretary and Mrs Mary McCartney, formerly with the Department of Public Personnel, was transferred to the post of Acting First Assistant Secretary.

Mr Burrows has been employed in the Public Service since January 1953, when he became a teacher-in-training at the original Teachers College in Oakes Field.

From September 1954 he worked for several years as a teacher in charge of specialized teachers training in the United Kingdom.

From 1961 to 1964 Mr Burrows was assigned to the Western Senior School and the following year joined the Inspectorate Staff of the Ministry of Education.

In July 1969 he was appointed Higher Executive Officer and transferred to the establishment Division of the Cabinet Office.

In April 1970, he was appointed Acting Assistant Secretary in the Ministry of Works & Utilities with responsibility for Personnel Matters. He was promoted to the post of First Assistant Secretary in July 1975.

He is married to Mrs Colona Burrows of First National City Bank. They have six children.

Mrs Mary McCartney was appointed to the Public Service on October 30, 1955.

She entered the service as a Clerk in the Ministry of Education and Culture and she was promoted to Private Secretary with effect from January 1, 1967. On April 1, 1968 she was promoted to the post of Chief Clerk.

In 1969 she transferred to the Establishment Division/Cabinet Office and was promoted to the post of Higher Executive Officer with

effect from April 1, 1970. She was promoted to Chief Executive Officer with effect from October 1, 1975.

In 1977 Mrs McCartney attended the Administrative Competition and after successfully completing the course was promoted to the post of Assistant Secretary with effect from January 1, 1978. She was promoted to the post of Senior Assistant Secretary with effect from August 1, 1980.

Mrs McCartney was transferred to the Ministry of Transport and appointed to act as First Assistant Secretary.

Mrs McCartney attended the St John's College and the College of the Bahamas where she obtained the Associate Degree and is presently pursuing a Bachelors of Business Administration Degree with the University of Miami.

She is married to Arnold McCartney. The couple has three children, Garvin, Tonya and Mark.

CSO: 3025/168

FNM PROCEEDING WITH PLAN TO CONTEST ALL 43 ASSEMBLY SEATS

Nassau THE TRIBUNE in English 26 Jan 82 p 1

[Article by Gladstone Thurston]

[Text] AS RUMOURS persist that Social Democratic Party deputy leader Keith Duncombe may withdraw his candidacy for Shirlea, the official Opposition Free National Movement is stepping up plans to contest all 43 constituencies in the upcoming general elections.

"If these fellows (SDP leader Norman Solomon and MP Michael Lightbourn) insist on running in Yamacraw and Montagu," said FNM spokesman Arthur Foulkes, "the majority of the party would certainly want to put candidates in Marsh Harbour or St John's. We wouldn't want the PLP to take them by default."

Recently, Mr Solomon, the incumbent for St John's and Mr Lightbourn, the representative for Marsh Harbour, announced their intention to contest Montagu and Yamacraw, respectively.

Before that announcement, the FNM had promised not to field a candidate in St John's and Marsh Harbour where it was thought that Mr Solomon and Mr Lightbourn were strong, and would have, most likely, retained their seats.

Although the FNM's Council has not yet ratified any candidates for Yamacraw and Montagu, the nomination of Mrs Janet Bostwick and Mr

Orville Turnquest seemed imminent.

"Obviously Norman and those are not playing the game properly," said Mr Foulkes. "We offered them to stay in their own seats without contest. They seem more intent on fighting us than the PLP."

Mr Foulkes does not anticipate any difficulty in recruiting creditable candidates for either Marsh Harbour or St John's.

Asked whether the FNM will contest all 43 constituencies, he replied: "That determination has not been made. The Executive of the party, the Council and the Candidates Committee will make that decision in due course."

It is now being openly rumoured that Mr Duncombe is considering bowing out, but The Tribune could not contact Mr Duncombe today for a statement. Mr Duncombe was the hand-picked choice of the late Sir Roland Symonette, who represented that constituency for many years.

Random calls through the constituency claim that Mr Duncombe is not campaigning. Said one resident: "He (Duncombe) has not been around since Sir Roland introduced him to us."

FNM campaigners, who have been working in Shirlea for the

past six months, say they have not seen nor heard from Mr Duncombe during that time.

It is reported that Mr Duncombe has indicated to a number of people that he is not running.

"As far as Shirlea is concerned, I don't know that Keith is running," said an Opposition campaigner. "I have worked the constituency on a regular, almost daily basis, and I have not seen any sign of him."

Predicted an FNM leader: "Mike Lightbourn will drop out. Norman Solomon will back out. I can't see the sense in what they are doing."

During last week's FNM convention, Kendal Isaacs and Cecil Wallace Whitfield were returned, by acclamation, as leader and chairman respectively of the FNM.

Other officers of the party are: vice chairman - L Garth Wright, George Wilson, and Edwin Brown (Freeport), Secretary-general - Chuck Virgil. Assistant secretary-generals - Frank Watson, Charles Hunt, Joseph Gibson, Treasurer - Orville Turnquest. Assistant treasurers - Bazel Nichols, Alpheus Ramsey, Theo Farquharson. Trustees - A D (Bill) Farquharson, Cyril Tynes, Warren Levarity, Nesbith Higgins. Chaplain - Fr Addison Turnquest, Rev Merlin Hanna, Rev W G McPhee.

FNM OFFICIAL CRITICIZES RULING PLP RELATIONS WITH U.S.

Nassau THE TRIBUNE in English 26 Jan 82 p 1

[Article by Athena Damianos]

[Text]

FNM PARLIAMENTARY
leader Henry Bostwick said today that the PLP Government has been trying to "straighten up" since the fall of the Michael Manley Government in Jamaica.

"I think they're searching to find a middle lane now, but they have fallen so far overboard" that they would have to adopt some of the FNM's economic policies in order to prevent the economy from collapsing, Mr Bostwick told The Tribune in an interview today.

And Mr Bostwick, who was "extremely pleased" with the outcome of his party's three-day convention last week, said he had no doubt that the relationship between the US and Bahamas Governments is strained.

"There is so much tangible evidence that there is something wrong," Mr Bostwick said.

"Why hasn't an Ambassador been appointed to the Bahamas yet? Why did (Edward) Seaga (Prime Minister of Jamaica) get an invitation to Washington (soon after he was elected) and

the Bahamas, which is right on the United States' doorstep, didn't? The convention tax exemption and the failure to get it.

"I think, if they (Bahamas Government) haven't formally rejected the Caribbean Basin Initiative, then they certainly haven't endorsed it," Mr Bostwick said.

He said Prime Minister Lynden Pindling's accusation over American TV that the Bahamas' drug problem was a US problem was a complaint that should have been issued through the proper diplomatic channels.

"I don't know if you can attribute the establishment of off-shore banks in New York and South Florida as (a way) to sabotage our banking industry, but this is what is going to happen," Mr Bostwick said.

Asked if he felt a statement by the party chairman, Cecil Wallace Whitfield, that an FNM Government might take over the Port Authority in Freeport, contradicted the FNM's private enterprise philosophy, Mr Bostwick said, "I don't think it was against the private enterprise policy as enunciated.

"As I understand Mr Whitfield's statement, I think what he was saying was the further development of Freeport could be enhanced if Government was at the helm. That's what I understood his statement to mean."

Mr Bostwick said this does not necessarily mean that the Government would manage the assets of the Port Authority. Like the FNM's policy on the Government-owned hotels — which was enunciated by FNM leader Kendal Isaacs at Convention — Mr Bostwick said that if acquired, an FNM Government probably would not have anything to do with the day-to-day running of the Port Authority.

Mr Bostwick said he felt the Convention was a great success and served to "inspire hope" in the Bahamian people.

"If the PLP wins the next election, it would be catastrophic," he said. "Our whole economic and social structure would collapse."

Attempts to get the PLP's views on the Convention yesterday and today failed. PLP chairman, Andrew "Dud" Maynard, could not be contacted.

CSO: 3025/168

PINDLING DISCUSSES CRIME, BAHAMIANIZATION, ECONOMY ISSUES

Nassau THE TRIBUNE in English 19 Jan 82 pp 1, 8

[Article by Anthony Forbes]

[Text] PRIME Minister Lynden Pindling said Monday night that it seems that the courts have not fully appreciated the extent to which their attitude has contributed to the crime problem in the Bahamas.

Appearing on the ZNS TV-13 weekly programme, Focus, hosted by Charles Carter, Mr Pindling said that the crime wave "is at its peak" and predicted a "diminution in serious crime" over a short term.

During the one-hour programme, the Prime Minister also touched on education, Bahamianization, tourism, industrialization and foreign investment.

"My feeling is that we are about at the peak and we would see a diminution in serious crime over a short term," Mr Pindling said, "That will be due very largely to two things."

The Prime Minister said that first is that law enforcement agencies will have become even more successful in reducing the drug traffic.

"I have been told by law enforcement officers that they have now ceased to be amazed as to the number of people brought in for questioning and who, when they were arrested, were under the influence of some narcotics," he said.

"I have no doubt in my mind that the drug traffic is a direct contributor to the crime wave," he added.

Secondly, the Prime Minister said, on the crime fighting front the police department "is putting into operation even now some new methods of prevention and detection."

He said that the methods would have "a telling effect" more so than it had over December where some of those things came to bear already and will come to bear even more so in January, February and March.

"So between the reduction of the level of drug trafficking and better law enforcement, the next thing that bothers me is the attitude of the courts," he said.

Mr Pindling said that the government can put money into boats and men, equipped for interdicting and arresting drug traffickers or put money into men and training and equipment on land to assist the police to do a better job.

"But what the government cannot do is to tell a magistrate or a judge, how, when and when not to give bail. If he gives bail, how much bail, and if he is going to convict, what sort of sentence he should pass," Mr Pindling said.

"It is my personal view, it is the Attorney General's view

and it is the view of a large section of the community that it seems that the courts have not fully appreciated the extent to which the attitude of the courts has contributed to the crime problem," the Prime Minister said.

He added: "You must have heard of any number of cases where a chap charged with an offence was out on bail when that offence was committed because he was previously charged with a similar offence two months before."

He said that if that can be established, one would have thought the legal system would have taken into account the offences involving drugs, guns and violence against the person or property and would be treated in a certain manner if it were to have a deterrent effect on others who might think of such crimes.

"Why should an offender use a gun now and get bail if it appears that if he is put back on the street he might do the same thing again and be arrested," he queried.

The Prime Minister said that constitutionally, the matter is very difficult because it involves, first of all, the freedom of the individual.

"Now the government has a responsibility," he said. "Assuming that the judges and the magistrates deal with the

matter in a certain way, the government also has the responsibility to provide the facilities."

"There is a case for additional magistrates, for additional judges and maybe courts as well because I do believe that speedier justice would also affect, beneficially affect, the situation," he said.

He said that it may well be that a drug offender would not have gotten bail if it were possible to have his trial the very next week.

On the refugee problem, the Prime Minister said that neither the Bahamas, South Florida nor the United States can solve it in the immediate future.

He said that everything that the Bahamas told the United States was happening to the Bahamas for the last few years is now happening to them "and they are getting it in heavier doses."

He said that the Bahamas had handled the situation better than the US is currently handling the large influx of Haitian refugees, some of whom attempted to break out of detention centres.

"I can't say I was delighted at the Krome Avenue incident,

but I was interested to see how Bahamians now see that in the light of the overall incident," he said.

He noted that the Haitians have not found "open arms" in the US, as they had expected but did not know what the implications of their treatment in the US might have on the Bahamas.

The Prime Minister said that there is a definite need for talks between the Bahamian and Haitian governments to regulate the recruitment of Haitians for labour in the Bahamas.

He said that Haitians if recruited, would have to be provided with decent and sanitary living facilities "the same as Bahamians who were recruited for the contract in the US."

On education, Mr Pindling said that the government's new thrust for the next ten years will be the inclusion of vocational and technical training during the last two years of high school.

He said that an agreement has been concluded between the Bahamas and the World Bank for the upgrading of vocational and technical facilities in the schools.

He said that vocational and technical training, along with a renewed emphasis on the basics, maths and English is the thrust of education over the next 10 years.

He said that the government must continue to be alert in its Bahamianization policy although "abuses are not as blatant as they were a decade ago."

On tourism, the Prime Minister said that the Bahamas may follow the Swiss example by developing "a fixed tourism product" to produce a steady return of visitors.

He said that the future of tourism lies in the large Family Islands of Andros, Abaco and Grand Bahama, which have plenty of land and water resources, necessary for tourism.

On the criterion for foreign investment, Mr Pindling said that in a country of the size and at the stage of development as the Bahamas, foreign investment is needed now and in the near future.

But, the Prime Minister said, the government must be careful that it does not choke off investment opportunities by Bahamians.

CSO: 3025/168

BRIEFS

PINDLING ON UNEMPLOYMENT--Prime Minister Lynden Pindling has put the unemployment rate at between 12 and 13.5 per cent with women making up the "overwhelming majority" of those persons who are out of work. "Most males, who want to work, can find work," Mr Pindling said. "The problem is that that is not true about women, and the overwhelming majority of those persons who are out of work and want to work are women." Mr Pindling was being interviewed by radio personality Mary Kelly on the talk show "Mary's Notebook." He pointed out that the Bahamas hit the highest level of unemployment in 1977 when the rate was over 26 per cent. Between 1977 and 1979 the rate was reduced by almost 10 per cent. Between 1979 and 1981, it was reduced by a further 5 per cent. "One of the features about unemployment is that whereas the back of unemployment may well be broken as far as men are concerned, the problem is really with the young women," Mr Pindling said. "The way to completely eliminate the problem would be to find gainful employment for young women." That, he said, is not going to be in the hotels. That will have to be in industrial ventures--garment making and other light industrial ventures. [Text] [Nassau THE TRIBUNE in English 9 Jan 82 p 1]

1981 DROP IN TOURISM--Tourist figures for the year 1981 were down 7.4 per cent with air traffic down 12.4 per cent. These figures just released by the Ministry of Tourism confirm TRIBUNE stories from as early as December, 1980, predicting that the country's number one industry was in trouble. The Ministry's figures show that 1,763,040 tourists visited the Bahamas in 1981 compared to the 1,904,560 visitors the previous year. The Ministry said that 133,070 or 14 per cent fewer visitors arrived in December, 1981, compared to the same month in 1980 when 154,300 came. Family Island visitors were down 13.7 per cent, in December, but increased 5.6 per cent for the year as a whole. However, the number of cruise visitors (who spend far less than air visitors) served to inflate the overall figure. While sea traffic was up 23.3 per cent, air arrivals to the islands were 8.3 per cent off for December. New Providence showed an 8.4 per cent decline in December and a drop of 9.3 per cent for the year as a whole. However, air traffic to New Providence for 1981 dropped by 15.6 per cent. Overall, 989,800 tourists visited New Providence in 1981, compared to 1,090,900 the year before. In Grand Bahama, arrivals fell by 23.5 per cent in December, and were down 10.3 per cent for the year, with air traffic down 9.3 per cent and sea arrivals off by 15.7 per cent. Overall 484,380 tourists visited Grand Bahama in 1981. The Family Islands recorded 288,860, or 5.6 per cent more visitors in 1981. [Text] Nassau THE TRIBUNE in English 25 Jan 82 p 1]

INFLUENCE-PEDDLING INVESTIGATION--Nassau Sat. (Cana): The Bahamian Parliament has set up a committee to investigate allegations of political influence peddling after

a study of documents naming a close friend of Prime Minister Lyden Pindling. The documents, tabled in the House of Assembly on Wednesday, purport to identify businessman Everette Bannister as "front man" for a foreign conglomerate which sought to gain control of a sizeable section of the Bahamian economy in 1979. He is a member of the National Council of Mr. Pindling's Progressive Liberal Party. Transactions he is alleged to have arranged include a \$630,000 "covert mortgage" on Mr Pindling's home to enable him to build a new residence, currently under construction. The mortgage was granted by a Liberian registered firm with a Zurich business address whose shares are held by Amherst International Ltd, a part of the Amherst Group (TAG), owned by ABE J. Lieber. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 31 Jan 82 p 2]

CSO: 3025/173

NEW PREMIER SWAN MAY HAVE TOUGH GOING IN UNITING UBP

Hamilton THE ROYAL GAZETTE in English 16 Jan 82 pp 1, 2

[Text]

The new Premier's first problem is going to be winning the wholehearted support of those nine M.P.s who voted against him. And the chances are it won't be easy.

In public, each United Bermuda Party member has to say that Mr. Swan will have everybody's backing. But behind the scenes the picture may well be different.

The strength of support for Dr. James has certainly left Mr. Swan with less than the commanding position he would have held had he won by a greater margin.

Just another two votes and Dr. James would have been Bermuda's Premier today. And among those who did vote for the doctor were some of the party heavyweights.

Although the ballot was secret and few M.P.s would reveal their choice, eight of Dr. James's nine were probably: Mr. Jim Woolridge, Dr. John Stubbs, Mr. Ralph

Marshall, Mr. David Wilkinson, Mrs. Ann Cartwright DeCouto, Mr. Harry Viera, Mr. Sidney Stallard, and Dr. James himself. The ninth is the mystery man, but the signs point to Mr. Lancelot Swan.

That group contains five of the last Gibbons Cabinet. How much enthusiasm that group will show for Mr. Swan's leadership will depend on how he handles himself in the next few weeks.

A confident, dominant performance will win him a new respect from those who voted against him. Anything less may signal a return to the factionalism that almost ripped the U.B.P. apart five years ago.

Despite claims to the media that once the Premiership contest was over the differences between the Swan and James camps would be forgotten, such an

achievement will take a lot of effort.

The U.B.P. had a good chance to show the public a united front at yesterday's swearing-in of Mr. Swan at Government House. But, there was no sign of Dr. James, or the man who surprisingly pulled out of the leadership contest, Mr. Woolridge. Both may have had good reasons for not attending, but they were noticeable by their absence, and a golden opportunity was lost.

It's true that this battle for the Premiership had little of the bitterness that preceded the election of Mr. Gibbons in 1977, but the infighting may just be starting.

Mr. Swan will no doubt offer Cabinet posts to some of those who went against him in a bid to build up a team spirit. He has stated openly that he would offer Dr. James a position if he won. Whether Dr. James would accept is a different matter.

and a refusal is unlikely to be a case of sour grapes.

In the past two weeks many have questioned how Dr. James could combine the roles of busy surgeon and active politician. He may now choose to concentrate on medicine and the affairs of his constituents without the added burden of heading a ministry.

Whatever he decides, we should know by the middle of next week what efforts Mr. Swan is making to put the unity back into the United Bermuda Party.

CSO: 3025/169

PAPER SPECULATES ON SWAN'S SENATE SEAT CHANGES

Hamilton THE ROYAL GAZETTE in English 22 Jan 82 pp 1, 15

[Text] After the race for the Premiership and the selection of a new Cabinet, the focus of attention in political circles now switches to the Senate.

The Premier, the Hon. John Swan, is entitled to make five appointments to the Upper House. And it seems certain he will make changes in at least one or two seats.

One change has been forced on him with the retirement of Sir John Plowman as Government's spokesman in the Senate. Mr. Swan has already replaced him with the Hon. Charles Collis, who also becomes a Cabinet member without portfolio.

The Premier has also managed to get the Hon. Quinton Edness back into Cabinet as Minister of Community Affairs, so he stays in the Senate.

That leaves former Senators Llewellyn Peniston, Dr. Paul De La Chevotiere, and Michael King.

Mr. Peniston has been a strong supporter of Mr. Swan. He is also a young black--part of that segment of the population the United Bermuda Party would so dearly like to attract. So he will probably keep his seat, which means Mr. King and Dr. De La Chevotiere are the most likely men to be dropped.

Both were unsuccessful candidates for the U.B.P. in the 1980 General Election and many observers regarded the move to give them Senate seats as Government repaying election debts to them.

That would seem particularly true in the case of Dr. De La Chevotiere, who crossed the floor of the House in mid-term after being elected as a Progressive Labour Party member, only to lose his seat when he ran for the U.B.P. in 1980.

The likely replacements leaves room for wider speculation. But the man being tipped in political circles for one of those seats is Dr. George Thomas, brother of Opposition M.P. Mr. Austin Thomas, who has recently joined the United Bermuda Party.

It would certainly provide an interesting spectacle if he were to go to the Senate and proved as passionate a proponent of the U.B.P. cause there as his brother is of the P.L.P. in the House.

Another man being tipped for a Senate seat is Mr. Ed Williams, who has proved a loyal U.B.P. man in recent years and is a member of the campaign committee. He is also a staunch supporter of Mr. Swan, and before the Premiership vote wrote to all Government M.P.s suggesting Mr. Swan was the man to lead Bermuda into the future, without specifically saying so.

Other names being mentioned are Mr. Kirk Cope, and Mr. Paul Leseur. Mr. Leseur is also thought to be in the running to be the new chairman of the U.B.P.

Tipped as an outsider is Mr. Francis Furbert, a relative newcomer to the political scene whom many in the party feel should be groomed as a future M.P.

CSO: 3025/169

GOVERNMENT HAS NO PLANS TO LIFT CONTROLS ON FOREIGN EXCHANGE

Hamilton THE ROYAL GAZETTE in English 21 Jan 82 p 13

[Text]

GOVERNMENT has no present intention of lifting foreign exchange controls, despite public criticism which last week labelled them as inconvenient and suggested they had become outdated.

Replying to the criticism, published in The Royal Gazette's Letters to the Editor, Minister of Finance, the Hon. David Gibbons, this week warned of the disadvantages of abandoning exchange controls and predicted the almost certain demise of the Island's currency if Bermuda was to follow the lead set by Britain in 1979.

In a written statement, Mr. Gibbons notes that this is not the first time Government's exchange control policy has come under fire. "From time to time," writes the Minister, "various questions have been raised as to just why Bermuda retains exchange controls now that the United Kingdom has abandoned them, and why should the general public have to face the inconvenience of a visit to the office of the Bermuda Monetary Authority before being able to make a foreign currency payment.

"There are, however, no present plans to abandon the controls since it is felt that to do so would have more disadvantages than advantages. For example, some of the adverse consequences of such a move would be a virtual, or total, disappearance of the Bermuda dollar, with a resultant loss of revenue to Government.

"With the disappearance of the local currency, Government would no longer have the ability to control domestic inter-

est rates and the upward move in rates would have serious implications both for existing mortgages and the business of the deposit companies."

The statement goes on to point out that a further drawback would be ". . . the loss of the statistical information provided on the exchange control forms."

Apart from anything else, Mr. Gibbons feels that the controls do not place ". . . any undue hardship on those individuals and companies who . . . must comply with the regulations". And he adds: "The main impact of exchange control is on controlling the movement of capital to and from the Island, by requiring residents to seek permission for the borrowing of foreign currency and subjecting them to an overseas investment allowance."

Though Mr. Gibbons concedes that application forms have to be completed for all amounts over BD\$100, he is quick to point out that not every payment needs prior official approval. "As agents in the administration of the exchange control regulations," he explains, "the local banks have wide, delegated powers which enable them to approve most routine payments of a current nature subject to the applicant filling in a form and providing suitable documentary evidence.

"If a person is involved in making a series of recurring payments which require the Authority's approval, it is common practice for the first payment to be approved by the Authority and subsequent payments delegated by letter to the person's local bank to avoid unnecessary inconvenience."

CSO: 3025/169

U.S. RECESSION RESPONSIBLE FOR SHARP DROP IN TOURISM

Cloudy 1982 Outlook

Hamilton THE ROYAL GAZETTE in English 21 Jan 82 pp 1, 3

[Article by David Dyson]

[Text]

Bermuda's tourism industry is already off by more than 20 percent this year and a major contributing factor is the record breaking cold weather being experienced in North America.

A survey of hotels yesterday showed occupancy rates down by as much as 50 percent. And for the week ending January 12 only 1,895 visitors came to Bermuda, down 21 percent from last year.

"It is depressing, and I'm not overly optimistic about the immediate future," said Bermudiana Hotel General Manager Mr. Toby Dillas. His hotel yesterday had 60 guests out of a maximum capacity of 480.

Mr. Dillas projected January to be down 17 percent from last year, February down 14 percent and March down by 48 percent.

"Depressing is an understatement," said Castle Harbour Hotel General Manager Mr. Pierre Roellinger. His hotel had 30 of a total of 310 rooms occupied yesterday →

down 50 percent from last year.

"The first quarter of 1982 will be very soft," said Department of Tourism Director Mr. Colin Selley yesterday. And he attributed the drop in number partly to the harsh weather conditions being experienced in the United States.

"It's the worst winter this century and people are afraid of leaving their homes — or they just can't get out," Mr. Selley said, adding that all tourism this side of the Atlantic has been affected by the weather.

He added that it was too early to determine how tourism will fare during the rest of the year, but noted that the current economic recession in the United States would have some effect on all holiday destinations from the U.S.

"It's still a bit too early to tell how 1982 will turn out, but I would say that tourism will be down by about 15 percent from last year," said Southampton Princess Hotel

Resident Manager Mr. Michael Winfield.

The Southampton Princess had a total of 60 guests yesterday, or about five percent of its total capacity of 1,200.

What makes the future of tourism this year even more uncertain is the threat of possible industrial unrest following the current talks between the hotels and the Bermuda Industrial Union, which represents over 4,000 hotel workers.

If an agreement for a new contract is not reached before the contract expires on February 28, and industrial action is taken, it is likely that tourism will be affected.

For, as one source said yesterday, travel agents will lose confidence in the Island if it is perceived that it cannot contain industrial relations.

The travel agents lost a good deal of confidence in Bermuda as a result of last year's industrial strife, and two major disputes in less than a year would be just too much to take, the source said.

Figures Lowest Since '75

Hamilton THE ROYAL GAZETTE in English 22 Jan 82 p 1

[Text]

Tourist arrivals in Bermuda last year slumped to their lowest level since 1975, according to the predictably gloomy

statistics released yesterday by the Bermuda Department of Tourism.

As expected the total number of regular and cruise ship visitors fell by slightly more than 12 percent from the record year of 1980.

The shortfall was about 61,000 with 429,802 tourists visiting last year compared with 491,640 in 1980.

Hotels suffered a more severe drop with room occupancies down almost 17 percent for the year. The occupancy rate was 60.1 percent compared to 73.9 percent in 1980.

Projections for the first quarter of this year look even more depressing.

Figures produced by the Bermuda Hotel Association predict a slump of 31 percent compared with the first quarter of 1981.

The major cause of tourism decline came, as anticipated, from the drop in the number of visitors from the United States. The total for the year was 376,062, down 11.5 percent from 1980.

But arrivals from Canada, Britain and Europe also declined.

Cruise business fell by 10.6 percent at the end of the year with 105,445 visitors compared with 117,916 a year ago.

Statistics also reveal that Delta's flights from Atlanta brought in 53,902 passengers.

Despite the drop in tourism, however, many tourist spots reported increases in the numbers visiting them.

The Aquarium reported a 42 percent increase, Fort Scaur reported a 12 percent increase while Blue Grotto Dolphins' figure went up by 20 percent.

CSO: 3025/169

BRIEFS

NO MERGER FOR ABUT--The Amalgamated Bermuda Union of Teachers, which was considering merging with another local union, has decided to remain on its own. Last year, the A.B.U.T. had set up three committees to look into the feasibility of either joining the Bermuda Industrial Union or the The Bermuda Public Services Association or remaining a separate union. [as published] Mr. Dale Butler, president of the A.B.U.T., explained: "In light of the fact that the union was successful in having a full time negotiator as part of our contract, we decided we would continue as the A.B.U.T." He added that the teachers' union intends to set up close links with all other trade unions in Bermuda. He continued that the union will soon advertise for a paid negotiator. The appointment will take affect from August. The negotiator will be paid by the union, he said, but as a result of the December 1981 agreement, the person will be granted leave of absence from teaching post without loss of benefits or seniority. Hiring a negotiator is a new step for the A.B.U.T. Previous negotiators, held on to their teaching jobs and worked for the union without pay. [Text] [Hamilton THE ROYAL GAZETTE in English 22 Jan 82 p 5]

CSO: 3025/169

RULING 'SYSTEM' OF SNI, MILITARY ESTABLISHMENT DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 82 p 4

[Article by Carlos Chagas: "The System, Even More Rigid"]

[Text] A paradox? Or the natural consequence of the contradictory process represented by the revolution's attempt to foster democracy? It makes no difference, as long as appearances are what matter rather than their reasons. The fact is that the period of greatest political liberalization experienced since 1964 coincides with the period of greatest inflexibility shown by the so-called System, both internally and in its relations with the nation. Inflexibility expressed by monolithic unity among its members insofar as concerns uncompromising positions taken by nearly everyone, despite the changed times.

In other words, although on one side of the scale are revocation of AI-5 [Institutional Act No 5], amnesty, return of direct elections for governor and even the expectation of a presidential succession participated in by politicians, on the other side are an increasingly ubiquitous intelligence community threatening everyone's privacy, covering almost all levels of national life, and a military high command more rigid than ever, constantly on guard and more unwilling than ever to tolerate any verbal slip or insult by congressmen, let alone investigations into some covert activities still functioning or punishment for their less productive colleagues. Much less divisions or splits within their own ranks.

This is how the System is defined, or what it now seems to consist of: the SNI [National Intelligence Service] and the armed forces as such, which in an imperfect attempt at streamlining could be called the "military 'estamento' [presumably a shortened form of "estabelecimento," meaning establishment]," where the army is predominant over the air force and the navy. Partly because Air Minister Delio Jardim de Mattos and Navy Minister Maximiano da Fonseca are separate cases. In their speech and in their behavior they do not project the unbending stance of the other military ministers: Army Minister Walter Pires, SNI Chief Octavio Medeiros and Military Household Chief Danilo Venturini. But they too belong to the System.

The SNI and the establishment are frequently confused, in processes related to communications channels, as an expression of the System but they generally act as independent entities, although in harmony. And they have been especially monolithic since the Figueiredo government took office.

Never did the SNI have so much power or embrace so many areas of activity as at present, truly a government within a government, virtually an autonomous body lacking only a different uniform to distinguish it from the other military branches. Functionally, its personnel, most of whom come from the army, with contingents from the navy, air force and civilian life as well, do have special characteristics. Right now they are even talking about building a hospital and setting up a special health service for SNI personnel, although they have always had access to the medical services and hospitals of the army, navy, air force and civilian agencies. The National Intelligence School has expanded its course of studies to such an extent as to emulate the War College--thereby engendering what could be considered a syndrome of the System.

It is important to note that the SNI, through Gen Octavio Medeiros, is increasingly important in the national decision-making process, not only providing information but, in the process of providing information, participating in policy and planning activities in sectors as diverse as nuclear strategy, land-title disputes, the church and even election-policy preparations.

Meanwhile, the military establishment, symbolized mainly by the army, retains no apparent influence except in matters related to subversion of law and order or in reference to its own internal structure, having retreated from topics upon which it previously pontificated, such as the election-policy question.

Both the SNI and the military establishment work more closely together than ever, and here is the paradox: today they pursue a line of action more rigid and inflexible than at any previous time during the revolution. Although they have not taken a position opposing liberalization, a decision made by President Joao Figueiredo, boss of both of them, they expect liberalization to conform to special and limited parameters, within the strategy of preserving at any cost the power of the System to which they both belong. They support the president's policies but attempt to restrict them and have been responsible for situations such as the Riocentro episode, where the establishment sought to remain above and beyond the law and the nature of things, not submitting its secrets to the scrutiny of public trial. Or such as the SNI being mainly responsible for dismissing liberal cabinet members such as Said Farhat and Eduardo Portella; for creation of the climate that led to promulgation of the November election "package"; or for assuming a sort of unwritten principle that denies the opposition an opportunity to actually come to power.

The unity seen today between the SNI and the military establishment, as two sides of the same coin, has not always existed. During the Castello Branco government the establishment predominated, with Army Minister Costa e Silva acting independently even of the president and countless military chiefs still retaining hereditary captaincies of personal or ideological influence. The SNI, founded in that period, had very little power although it was already laying the groundwork for future influence. General Golbery do Couto e Silva, its creator, never imagined that 18 years later he would be referring to it as "the monster I myself created." Its primary function was to gather intelligence and, according to Carlos Lacerda, it never functioned on Mondays, when the major newspapers did not publish. But deep in its recesses it was already fashioning certain power plays with some success, such as helping to oust the same Carlos Lacerda and Magalhaes Pinto from the

central ranks of the revolution. When General Golbery tried to do the same thing to Costa e Silva, whom Castello did not want as his successor, "he had his face smashed." The establishment was more powerful, and it also operated frequently through its own intelligence services as well as through individual leaders.

A balance was sought in the Costa e Silva government, with the SNI growing through generals Garrastazu Medici and Carlos Alberto Fontoura and the establishment virtually stagnant during the literary administration of the Army Ministry by Gen Lyra Tavares. Despite this, the establishment and the SNI acted together in publishing AI-5, but it was the former more than the latter that was responsible for the decision to replace the ailing president with a military junta.

Geisel Used SNI to Control Extremism

Gen Orlando Geisel, army minister in the Garrastazu Medici government, showed that the establishment was still in charge, and very much so. Being responsible for national security, he handed out the assignments: the army, navy and air force were to formulate strategy and combat subversion directly, soon strengthened by creation of the CODI [Internal Defense Operation Center], the DOI [Department of Domestic Operations] and the DOI-CODI. Operations of all sorts, psychological or military, developed from Geisel's plans and decisions, for which Gen Milton Tavares was his adviser. The SNI, with Gen Carlos Alberto Fontoura, was responsible only for intelligence, although in an expanded way. Both had to deal with extremism, but the establishment had the bigger task, as the nation was embroiled in internal conflict due to ineffective armed action and terrorism by leftwing extremist groups.

Gen Sylvio Frota assumed he would inherit Orlando Geisel's hegemony and power and all these represented when he became army minister in the government of Gen Ernesto Geisel. He was mistaken. The new president was not willing to see his authority challenged, as was Castello Branco; he did not adopt the Costa e Silva procedures; nor did he take readily to the complacent attitude of Garrastazu Medici, partly because subversion had been reduced to the lowest common denominator. But even more so because from the beginning Frota had been considered his successor. So the way to undermine his leadership was to split the establishment and Geisel began acting against him through the SNI, whose chief was Gen Joao Figueiredo. The current president and the two chiefs of the central agency who worked with him, Gen Sebastiao Castro and later Gen Octavio Medeiros, took advantage of the opportunity. A series of earlier decrees had given the SNI coordination of the whole intelligence system; the initial cell multiplied and took over territory. More employees, more informants, more responsibilities, more power, more participation, especially if intended to counteract the establishment, or the part of it that still followed Sylvio Frota. After the army minister was ousted, in a climate almost like civil warfare, the expansion continued, as Figueiredo, coincidentally, was Geisel's choice as his successor. Gen Fernando Bethlem's presence in the Army Ministry served to prevent further friction.

It is not necessary to repeat that the strength of the establishment and the SNI in political, doctrinal or ideological terms lay in being as rigid as possible--adherence to the "law of the dog," as AI-5 was called by the late Prudente de Moraes Neto. Justification, no matter how distorted, was still based on subversion, even though its terrorist element had been almost completely crushed.

Accept Democracy But Retain Power

Gen Joao Figueiredo took office and was successful where nearly all his predecessors failed because of his well-grounded choice of subordinates. He retained Gen Octavio Medeiros, his alter ego, in charge of the SNI, with as much authority as he himself had had and permission to expand it, as long as he did not enter into matters the exclusive concern of the establishment. To head the establishment he appointed Gen Walter Pires, one of his best friends, as army minister. Both support political liberalization because their boss decided to, but both were convinced that liberalization would require a still more rigid stance and uncompromising behavior when the System was at issue. They accepted amnesty, for example, but resisted strongly when factions of the deluded Left attempted to square accounts for past excesses. And to dissolve any doubts, between public statements resisting intrusion of politicians in military matters, including past struggles, they decided to bring lawsuits against congressmen who dared discuss the undiscussable. Joao Cunha and Genival Tourinho were the first cases; Freitas Diniz is a current case.

Octavio Medeiros and Walter Pires got along well, as they also were friends of long standing, together with the fact that the army minister comes from the security and intelligence sector, as do many of the generals that composed and now compose the high command. He was head of the federal police as a colonel. Respecting what had been determined to be the limits of their activity, or the new limits created by the new situation, the two are a unit. Neither intrudes upon the other's territory except when agreed upon due to the needs of the above-mentioned communications channels. Which has not prevented the SNI from expanding and the establishment from becoming constantly more self-contained.

The establishment continues to be responsible for combating subversion and terrorism but, reduced to the lowest common denominator, they do not really cause much trouble. At least, not nearly so much trouble as in the past. Within the establishment the order of the day is to avoid disagreement and, as never before, all components of the armed forces accede to orders from above. The club is heavy enough to have silenced and cast out the few who dared speak out against, for instance, the way the Riocentro case was handled. Although only 10 percent of the officers accept the results of the inquiry as valid and final, the other 90 percent keep quiet. What they talk about the least is politics, unlike earlier years. They all accepted the "theory of keeping in step," although the mind need not march to the same drummer. It may be the best assistance given the cause of liberalization, contradictory as that might seem, as this posture can express the need for each one to look a little further ahead into his own future. Officers such as Kurt Pessek, Tarcisio Nunes Ferreira, Nivaldo de Oliveira Dias, Dickson Grael and others are no longer in the establishment. Nor is even a general who has served the revolution as much as has Andrada Serpa. Or Gen Toledo de Carmago. When asked privately about general topics nearly all members of the establishment first want to know what their immediate superior is thinking, or even higher authorities, so they can later express themselves. They are in no mood to take risks.

It appears that, as long as the limits of the establishment are respected, the SNI is allowed to do anything. From the special health services mentioned above to the veritable university of Brazilian studies into which the National Intelligence School is being transformed (and which presents everything according to the

restricted viewpoint of its own doctrine), the intelligence community is on the verge of becoming more than a government within a government: it is like a state within a state. For example, it monitors activities of the church, but does not confine itself merely to knowing what priests and bishops are doing and saying. It suggests actions and reactions that lead to expulsion of some, such as Vito Miracapilio, arrest of others, such as the two French priests. It studies the land-tenure problem, with "Major Curio" representing only the tip of the iceberg, and investigates the social sector, proposing reforms and improvements so far as identifying and operating, in its way, in areas of greatest tension. Nuclear policy is one of the unwritten assignments of General Medeiros within the informal devision of responsibility among the group closest to the president. No initiative is taken in the sector without his consent, without his conferring with Paulo Nogueira Batista. The November elections, although also assigned to the chief of the civilian household and the justice minister, contain reports, analyses and proposals from the SNI, as in the case of the recent November election "package," the suggestion made by its chief to General Figueiredo. Although as yet without apparent results, vigilance over administrative corruption also receives much attention on the intelligence community's computers, as there are reports about everything, even if they are not acted upon. The situation of the Northeast economy, geopolitical implications of Itaipu, the student movement--all receive its attention.

On one of the rare occasions when he was willing to speak to the press, the chief of the central agency, second-ranking man in the SNI, Gen Newton de Oliveira e Cruz, admitted having 400 employees in Brasilia, civilian and military, and no more than 200 in the 13 agencies located in various states. There are those who say he must have been referring only to special-assignment personnel, because among agents, informants and other types the SNI must have 50,000 persons, including at least 5 general officers on active duty in the armed forces and nearly 100 colonels.

Nothing can be considered strictly black or white in life, much less in the intelligence community. Thus, the SNI represents its central, policy-making core, but the totality consists not only of the intelligence services of the three armed-forces branches, separate but integrated with it, but also of the National Security Council, the security and intelligence divisions of the ministries--responsible less to their respective ministries than to the central agency--the security and intelligence staffs of the second-echelon agencies, the Federal Police Department, the Departments of Political and Social Order of the state security secretariats, the intelligence services of the military police--among how many more? Depending upon the case, all are transformed into supplementary eyes or even operating arms of the SNI, constantly better equipped and more sophisticated in surveillance of telephone calls and correspondence, influencing appointments to federal, state and municipal office nationwide. The allegation that the SNI merely supplies information in this respect does not correspond to reality, as "information" in this case can not only recommend but also prohibit or veto, as current governors and cabinet members say and as the former education minister, Eduardo Portella, said, who was prevented from appointing 30 staff persons in 1979.

In December 1979 Deputy Ulysses Guimaraes was speaking in Sao Sebastiao, Sao Paulo, and announced the proposal to establish in 1980 a congressional investigating committee to inquire into the activities of the SNI. He never brought up the subject again and the initiative died as other more explosive ones died, including

investigation into past excesses committed by repressive forces. Later, Deputy Jose Costa, also of the PMDB [Brazilian Democratic Mobilization Party], presented a summons to Gen Octavio Medeiros to appear before the full Chamber of Deputies, which did not produce any results either, just as no results were produced when a congressional committee tried to subpoena Gen Armando Barbalho, chief of the security and intelligence staff of the National Nuclear Energy Commission.

It was not by coincidence, as is now clear, that Gen Octavio Medeiros demanded the preference of giving the pink slip to then Mass Media Minister Said Earhat. Rather than appoint another minister, he supervised the elimination of the Mass Media Secretariat, incrustated on Planalto Palace but separate from the activities of the palace group. It apparently was not useful to the System and to fill the vacuum the Army Ministry's mass-media structure was soon expanded, apparently one more integration of communications channels of the System, between the intelligence community and the establishment. To head the Army Mass Media Center [CECOMSEX] Gen Otavio Luis Rezende, until then Octavio Medeiros' cabinet chief, was appointed. The main psychological activity of the System began being performed by CECOMSEX, right at the outset responsible for the carefully constructed movie about world communism televised 27 November to commemorate the "Intentona" [a communist-inspired barracks uprising in November 1935], whose only mistake was a diplomatic one: showing Russian troops invading Afghanistan accompanied by strong language about the activities of a country with which Brazil has diplomatic relations.

In sum, the SNI is active, and increasingly so, and the establishment meanwhile retires from view, to the extent it is able--united and making up the System, willing to accept liberalization but, for that very reason, more inflexible than ever. Some say that its leaders are not against democracy but in their view democracy must not include the possibility of their losing power. As an exception the air and navy ministers spoke just this week about the possibility of the opposition coming to power, should it win in November--but nevertheless they can never be considered as on the fringes of the System. At the most, they will reveal only their most liberal thoughts.

It may be that later, when the time comes for final decisions about presidential succession, the monolithic unity of the System will disintegrate, perhaps because the SNI may have one candidate and the establishment another--military men such as Octavio Medeiros on one hand and, who knows, Gen Coelho Netto on the other. But it is also possible that they will agree, either upon one of their own or in support of a civilian. In the latter case, with the intention of self-preservation--that is, of the System...

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CSO: 3001/80

ELIGIBLE VOTERS IN NOVEMBER ELECTIONS NUMBER 52 MILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 82 p 7

[Text] Brasilia--On 15 November, date of the next elections, 52 million persons will be eligible to vote, according to projections made by SERPRO [Federal Data Processing Service] and the Superior Electoral Court [TSE]. The state with the greatest number of voters is Sao Paulo, with a total of 11,598,225, according to a survey made by the TSE last 30 September, the most recent as of now.

The lists made up by the Superior Electoral Court, based upon figures furnished by the Regional Electoral Courts and by the IBGE [Brazilian Institute of Geography and Statistics], show the number of voters in all Brazilian cities, in descending order and divided according to sex. The state capital with the greatest number of voters as of now is Sao Paulo, with a total of 4,250,204, of which 2,218,174 are male and 2,032,030 are female.

Next comes the city of Rio de Janeiro, with a total of 2,858,712 voters, of which 1,431,282 are men and 1,427,430 are women. The third state capital in number of voters, Belo Horizonte, is far behind the first two, having 846,316, which includes 418,265 men and 428,051 women. Unlike Rio and Sao Paulo, Belo Horizonte has more female than male voters, a difference of almost 10,000 between men and women.

Porto Alegre, which has 623,317 voters, shows a difference of more than 20,000 between men and women. The male electorate is 300,678, while the female is 322,639. Although the difference is not large, Salvador, similarly to Porto Alegre, also has more female voters: of a total of 581,503 voters, 288,865 are men and 292,638 are women.

The capital city with the smallest number of voters is Boa Vista in Roraima Territory, with 28,097 voters, of which 17,645 are men and 10,452 are women. Rio Branco, capital of Acre, is the capital city with the second smallest number of voters: 47,344, of which 24,942 are men and 22,402 are women.

The TSE also has a list of voters, by states, dated September 1981, showing the number of men and women. Sao Paulo is the state with the largest number of voters: 11,598,225. Of this total, 6,392,033 are men and 5,206,192 are women. Minas Gerais comes next, with a total of 5,896,043, of which 3,262,125 are male and 2,633,918 are female. Paraiba and Rio Grande do Norte are the only states with a majority of female voters.

Number of Voters, in Descending Order, as of 30 September 1981
 [States and Territories]

(1)	(2)	(3)	
	Masculino	Feminino	Total
Unidades da Federação			
São Paulo	6 392 033	5 206 192	11 598 225
Minas Gerais	3 262 125	2 633 918	5 896 043
Rio de Janeiro	3 034 205	2 673 425	5 707 630
Rio Grande do Sul	2 075 026	1 804 700	3 879 726
Paraná	2 171 061	1 443 997	3 615 058
Bahia	1 923 143	1 585 886	3 509 029
Pernambuco	1 125 701	1 003 982	2 129 683
Ceará	1 003 335	1 004 708	2 008 043
Santa Catarina	1 004 955	836 643	1 841 598
Goiás	915 270	652 991	1 568 261
Maranhão	666 209	513 056	1 179 265
Pará	669 134	499 296	1 168 430
Paraíba	531 148	540 212	1 071 360
Espírito Santo	494 731	320 847	815 578
Piauí	424 928	375 074	800 002
Rio Grande do Norte	382 933	395 961	778 894
Mato Grosso do Sul	344 947	240 188	585 135
Alagoas	305 304	256 984	562 288
Amazonas	236 497	198 522	435 019
Distrito Federal	221 138	196 654	417 792
Mato Grosso	236 990	160 618	397 608
Sergipe	196 981	188 746	385 727
Rondônia	78 568	51 038	129 606
Acre	50 083	42 866	92 949
Amapá	33 435	22 729	56 164
Roraima	19 583	11 663	31 246
Fernando de Noronha	301	157	458
Total	27 799 764	22 861 053	50 660 817

Key:

1. State or Territory
2. Male
3. Female

Some cities in the states of Rio de Janeiro and São Paulo have more voters than do many state capitals. The largest of these is Nova Iguaçu in Rio de Janeiro State. With 374,570 voters, it is among the 10 cities with the largest number of voters, having more voters than do 16 state capitals. Next comes Duque de Caxias, also in the State of Rio, with 265,968 voters and also having more voters than do 16 state capitals, including Goiana, Florianópolis and Manaus. Another large city, with more voters than 15 state capitals, is Niterói, also in Rio de Janeiro State, with 237,858 voters. The state of Rio de Janeiro has four cities with over 200,000 voters, while São Paulo has five. Santo André has 320,569 voters, followed by Campinas, with 292,559.

The TSE list did not specify how many voters were in rural areas and how many in urban areas, nor did it give the distribution by age group.

In 1978, the last time elections were held, Brazil had 46,030,464 voters. Hence, the expected increase is about 6 million voters. At that time, 37,629,180 voted and 8,401,284 did not vote. The state of São Paulo had 10,241,247 voters, the largest number in the nation. Minas Gerais was next, with 5,400,733, which has increased to 5,896,043 today.

The three cities with the largest number of voters in each state:

SÃO PAULO		
1. São Paulo.....	4.250.204	
2. Santo André.....	320.569	
3. Campinas.....	292.559	
SANTA CATARINA		
1. Joinville.....	113.766	
2. Florianópolis.....	101.195	
3. Lages.....	84.082	
SERGIPE		
1. Aracaju.....	120.080	
2. Lagarto.....	18.966	
3. Itabaiana.....	15.358	
ALAGOAS		
1. Maceió.....	141.736	
2. Arapiraca.....	36.064	
3. Palmeiras dos Índios.....	21.328	
AMAZONAS		
1. Manaus.....	251.882	
2. Itacoatiara.....	21.507	
3. Parintins.....	16.791	
BAHIA		
1. Salvador.....	581.503	
2. Feira de Santana.....	105.085	
3. Itabuna.....	70.875	
CEARÁ		
1. Fortaleza.....	538.208	
2. Juazeiro do Norte.....	49.465	
3. Sobral.....	44.126	
ESPÍRITO SANTO		
1. Vitória.....	108.733	
2. Vila Velha.....	74.540	
3. Cariacica.....	66.710	
GOIÁS		
1. Goiânia.....	237.931	
2. Anápolis.....	72.139	
3. Itumbiara.....	40.323	
MARANHÃO		
1. São Luís.....	178.666	
2. Imperatriz.....	65.485	
3. Caxias.....	31.278	
MATO GROSSO		
1. Guiabá.....	78.343	
2. Rondonópolis.....	34.542	
3. Varzea Grande.....	27.556	
MATO GROSSO DO SUL		
1. Campo Grande.....	127.177	
2. Dourados.....	44.055	
3. Corumbá.....	34.840	
SÃO PAULO		
1. Belo Horizonte.....	846.316	
2. Juiz de Fora.....	153.666	
3. Uberlândia.....	110.316	
PARÁ		
1. Belém.....	433.807	
2. Santarém.....	67.639	
3. Bragança.....	32.795	
PARAÍBA		
1. João Pessoa.....	124.817	
2. Campina Grande.....	88.505	
3. Souza.....	33.222	
PARANÁ		
1. Curitiba.....	518.231	
2. Londrina.....	148.561	
3. Maringá.....	98.746	
PERNAMBUCO		
1. Recife.....	495.548	
2. Jaboatão.....	115.627	
3. Olinda.....	85.659	
PIAUI		
1. Teresina.....	145.199	
2. Parnaíba.....	39.750	
3. Picos.....	32.269	
RIO DE JANEIRO		
1. Rio.....	2.858.712	
2. Nova Iguaçu.....	374.570	
3. Duque de Caxias.....	265.968	
RIO GRANDE DO SUL		
1. Porto Alegre.....	623.317	
2. Pelotas.....	130.682	
3. Caxias do Sul.....	112.635	
(+) Faltaram os estados do Acre, Rondônia e Territórios. O TSE não possui lista, até o momento. (1)		

Key:

1. The TSE does not yet have a list for the territories and for the states of Acre and Rondonia.

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CSO: 3001/80

PLANALTO OBSERVERS ANALYZE RECENT GALLUP POLL RESULTS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Feb 82 p 5

[Text] Brasilia--The government has no plans, at least for the immediate future, to commission public-opinion polls to gauge the popularity of President Figueiredo or approval of his political or administrative initiatives. Nearly all surveys made by various public-opinion polls are brought by their sponsors to the attention of Planalto Palace and President Figueiredo is interested in them, to the point of commenting on some results and making a note of data he considers significant.

The secretary of information and publications for the presidency, diplomat Carlos Atila, believes the results of the latest Gallup poll show the soundness of government political and economic policies and particularly confirm, as public-opinion specialists acknowledge, that information agencies cannot change public opinion, but merely reinforce certain tendencies.

Although on the one hand the latest results received by Planalto Palace, such as the quarterly report made by Gallup since May 1979, reveal the public's increasing approval of the government's performance, they also indicate rejection of the values supported by the opposition and the people's belief that, despite the difficulties the nation is experiencing, the opposition parties are not presenting suitable administrative and political alternatives, Carlos Atila contends. The palace adviser also remarked that the polls about government approval also imply the growing popularity of the PDS [Social Democratic Party], as the message of both is identical.

Basically, despite the economic crisis that President Figueiredo himself acknowledges--while adding that he does not have enough money for all the things he would like to undertake during his administration--the public is aware that financial rehabilitation has priority and austerity is being imposed to the limit of sacrifice the people can bear, according to the Pianalto Palace evaluation. In any event, as the rate of approval or disapproval of government performance varies according to region, Atila considers the data reflective of the government's priorities.

The approval rate of 21 percent in the North and 11 percent in the Northeast, for example, could be the natural consequence of the government's efforts to develop the most needy regions, while the disapproval of 3 percent in the Center and 12 percent in the South might indicate dissatisfaction over reduced investments in those regions. Even so, public works are proceeding in large cities of the Center-South

and the Rio and Sao Paulo subways represented one of the largest government investments of recent years. Atila contends that public-opinion polls, the results of which are not known until later because they require time to evaluate the data gathered, cannot give a precise picture of the situation under investigation. He would also question, in a general poll, the validity of expressions of support or disapproval, depending upon what the person interviewed has been asked to evaluate.

Trend

The latest Gallup poll revealed that the president's popularity peak was reached in October 1979, a few months after taking office, granting political amnesty and appearing frequently in the news. The general's frank and open style was impressive, compared with the extreme severity of his predecessor, Geisel, concurrent with the first advances of the political liberalization project, creation of new parties and return of the exiles. There were frequent trips to the states and the newly-created SECOM [Mass Media Secretariat] tried hard to promote the president's human side to the point that some exaggeration in the attempt to change the president's image culminated in the events of Santa Catarina. At the beginning of his government, Figueiredo also benefited from publicity conducted by the erstwhile ARENA [National Renewal Alliance] in the 1978 election campaign.

After the initial euphoria of the new administration, economic policy was the subject of internal disputes and the subsequent fall of cabinet members Mario Simonsen and Karlos Rischbieter caught the public by surprise, as SECOM kept denying whenever it could any disagreement within the administration. In the first quarter of 1980 popular approval of the government declined considerably and continued to do so until the last quarter of that year, reaching the record low of minus 30 percent, resulting mainly from economic uncertainties and unprecedented inflation rates, which reached the three-digit level. The struggle against inflation and the first satisfactory results obtained in the final quarter of last year caused an improvement in the popularity of the president, whose performance in the case of the Riocentro bombing contributed decisively to the greatest levels of disapproval.

During the final quarter of last year the image of the government and General Figueiredo continued to improve, despite announcement of the November election "package" which changed the rules of the game to benefit the PDS, but which could have unfavorable effects on the evaluation for the first quarter of this year. This apparent public ignorance of political events leads official analysts to believe the opposition message is not being well received by the public. Of course, however, the Gallup poll asked about approval of the government's performance, without specific reference to the opposition. And this makes automatic deductions invalid.

In the most developed regions of the Center-South, as in the state capitals, opposition sentiment prevails and this explains the government's low rates of approval shown in the polls. That same trend also appears in the cities, in keeping with the increase of population and this was one of the reasons inducing the government to propose universal linked voting in November's election, eliminating the oppositionist edge in big cities by "municipalizing" voting.

North, Northeast Vote for Government

In regional terms, the results of the Gallup poll do not show anything new, as the North and Northeast, since the times of the ARENA, have been the government's main stronghold and their representatives have assured the government's congressional majority.

In the North, where government approval is 21 percent, population is more sparse and the state governments are dependent on the central power, not to mention the existing communications difficulties. The same thing occurs in the Northeast, as the region's congressmen are well aware; last year they even launched a movement to make their support, which they know is essential for a government majority, contingent upon special concessions to be granted the Northeast.

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CSO: 3001/80

JANUARY TRADE BALANCE SHOWS SURPLUS OF \$50 MILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Feb 82 p 26

[Text] Brasilia--Despite the poor performance of exports, which last month totaled only \$1.707 billion--the lowest level since January of last year--the January trade balance had a surplus of \$50 million, the lowest since May of last year, when the trade account began to recover, showing a surplus of \$11 million. The January surplus was possible because imports were greatly reduced, totaling only \$1.657 billion, the smallest amount since September 1979. In January of last year the trade balance had a deficit of \$133 million, with exports of \$1.696 billion and imports of \$1.829 billion. In the latest 12-month period (February 1981 through January 1982) the trade account shows a surplus of \$1.39 billion.

These figures, from the Foreign Trade Department (CACEX) of the Bank of Brazil, were reported officially yesterday by Finance Minister Ernane Galveas and the ministry's secretary general, Carlos Viacava. The minister explained the results by saying: "January is never an outstanding month." A similar performance is to be expected in February, "a short month, with only 17 working days." Despite these setbacks, the finance minister seemed satisfied: "Nothing much happens in Brazil until after Carnival, some time during March." He did not wish to predict when the trade balance will recover this year, but said he was confident about the possibility of reaching the end of the year with a surplus of \$3 billion because, as he said: "There are many surprises along the way; just look at what happened in 1981."

Viacava blamed coffee, whose exports in January fell 20.63 percent compared with the same month last year; soybeans, with lower international prices; sugar, with falling prices; petroleum derivatives, which face serious difficulties in foreign markets; and orange juice, whose exports did not rise until this month, after the frosts in the United States, for the increase of only 0.65 percent in total exports, compared with levels of 15 to 20 percent recorded on a monthly basis last year. "The growth trend of exports is being sustained by manufactured goods, exports of which continue to expand at a rate of about 30 percent," Galveas stressed.

The two officials also reported the aggregate result of exports last year (\$23.293 billion), itemizing the categories. Commodities contributed \$8.910 billion, while industrialized products were responsible for \$13.998 billion, of which \$11.924 billion were manufactured and \$2.074 billion were semi-manufactured.

This situation, according to Viacava, is not likely to change in 1982, because the prospects for the commodities market (sugar, coffee, soybeans and cocoa) are not

at all promising. Galveas, however, hopes for a recovery of these items because international raw-material stocks are low and there is hope that foreign interest rates will not be so high. Brazil exported \$114 million of petroleum derivatives in January, maintaining the monthly average of \$115 million to \$120 million begun last year.

The main reason for the overall drop of 9.4 percent in imports was the fact that, unlike last year, it was not necessary to import any foodstuffs, Viacava pointed out. Petroleum imports, responsible for 53.7 percent of expenditures (\$891 million), result from greater crude oil imports for refining and export, the finance minister said. Other imports fell 25.61 percent, while petroleum rose 11.65 percent.

Trade Balance (Millions of Dollars)

<u>Category</u>	<u>January 1982</u>	<u>January 1981</u>	Difference in:	
			<u>Dollars</u>	<u>Percent</u>
Exports:				
Total	1,707	1,696	+ 11	+ 0.65
Coffee	150	189	- 39	-20.63
Others	1,557	1,507	+ 50	+ 3.33
Imports:				
Total	1,657	1,829	-172	- 9.40
Petroleum	891	798	+ 93	+11.65
Others	766	1,031	-264	-25.61
Trade Balance	+ 50	- 133		

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CSO: 3001/80

'MAS' RELEASES BANKER AFTER 46 DAYS

Bogota EL ESPECTADOR in Spanish 31 Jan 82 pp 1-A, 14-A

[Article by Jose Guillermo Herrera]

[Text] Medellin, 30 Jan--A leading banker and politician, Jesus Maria Arias Velez, "detained" by the "Death to Kidnappers" [MAS] squadron, was freed after a 46-day captivity after being linked by his captors to the kidnapping of the student Marta Nieves Ochoa de Yepes. The President of the Bank Employees Association (ACEB) in this area turned up near his home in the neighboring town of Envigado late Thursday evening with visible signs of having been tortured.

Arias Velez was "apprehended" by 30 heavily armed men who came to his home on the night of 13 December while he was with two other leading bankers who were also held, but who were freed, hands tied and blindfolded a day later.

The Bank Employees Association confirmed the appearance of its leader a few hours after it had spoken out against the latest public communique from MAS which named him as a kidnapper. "He is not held for labor unionism, but for kidnapping and in due course his status will be cleared up," said the squadron of drug trafficking mafiosi at that time.

Francisco A. Qintero, regional chairman of ACEB, said today that the reckless and irresponsible statement by "Death to Kidnappers" is intended to "confuse national public opinion as a desperate response to the repudiation by the popular labor union movement and the public in general of its fascist practices and its criminal actions in the kidnapping and assassination of beloved and honest fighters among the workers."

Qintero again demanded that the authorities "diligently investigate MAS activities and its intellectual and material sponsors, something citizens would welcome with pleasure."

The banking leaders today maintained that Arias Velez was cruelly tortured by his captors and mistreated to such an extreme that he lost several kilos of weight during his captivity.

The ACEB President and aspirant to the town council of the neighboring locality of Envigado for the Democratic Front was "apprehended" during a violent raid on his residence in the Trianon district by the MAS squadron, together with the labor union secretary from the Agrarian Cashier's office, Luis Dario Gomez Gomez, a relative of his. A third man in the house sustained a bullet wound in the arm.

"The assailants entered the residence riddling the door, windows and household items with bullets, the unarmed occupants escaping certain death," the ACEB then stated.

"This unusual coincidence bothers us," he warned, "which is emphasized by the facts regarding the identification of the assailants as they ransacked the room; they told the wives of those mentioned that they were members of B-2, and on the other hand, those who captured the aforementioned persons identified themselves as members of MAS (Death to Kidnappers), a name that is given the so-called mafiosi operatives...."

At the same time the Bank Employees Association said, given the violent nature of the procedure, neighbors in the district demanded the presence of the Envigado police, but the contingency under the command of a lieutenant surnamed Franco left as soon as it had arrived at the residence, when the armed civilians brandished their B-2 insignia.

9908
CSO: 3010/845

M-19 DIRECTORATE CRITICIZES PEACE COMMISSION

Bogota EL TIEMPO in Spanish 2 Feb 82 p 3-A

[Text] Yesterday the M-19 national directorate sent the communication media a copy of a letter to the minister of government, Jorge Mario Eastman, in which it presents observations on the recently created Peace Commission and states that "little has been put forth so far as concrete results in favor of peace are concerned."

He points out that "the Colombian people have shown themselves to be lovers of peace and justice because they are interested in building a prosperous land; because they are confident of attaining a climate of political freedom which will allow them to take part in the conduct of government; and because they have known the havoc of fratricidal violence.

"When the National Peace Commission was created," he adds, "public opinion in the nation designated this step as positive and was hopeful of results. Our organization was of the same opinion bearing in mind that the Commission was a direct result of popular pressure for peace and what really mattered was to await recommendations which might come from it as a positive contribution to national peace. Thus, we made it known publicly at the right time. But, what has the Commission done and not done for peace, the nation is asking itself. By means of Decree 3642, the ruling on Article 28 was handed down."

Besides warning that "it is not enough to recognize torture in order to regulate it, the M-19 letter to Eastman says: 'Things being as they are, we think the Peace Commission has not gone far enough. What it studied and recommended was not treated with the required depth and, moreover, it has not stated its stand on the central aspects of the peace problem. It has not recommended lifting the state of seige; it has not referred to a general amnesty; and it has not taken the necessary steps for bringing about a national dialog in which the parties in conflict agree to measures that are supposed to lead us to peace."

"Thus we approach elections, the essence of democracy and freedom, without democracy and without freedom. Illegality has become legality and anxiety is now called electoral peace."

Finally, M-19 reiterates its peace proposal to the minister of government and asks that this "not be just a pretty word to adorn official statements or for making radio propaganda, but a fact."

9908
CSO: 3010/845

LAWYER FOR M-19 CALLS FOR SUPPORT FOR GALAN

Bogota EL TIEMPO in Spanish 2 Feb 82 p 3-A

[Text] Lawyer Aurelio Jimenez Callejas, defense attorney for several M-19 members, asked the leaders of that subversive movement who are prisoners in "La Picota" jail to support the presidential candidacy of Luis Carlos Galan Sarmiento, the leader of the New Liberalism party.

Jimenez Callejas made the proposal in one of the sessions of the military trial of more than 150 presumed M-19 guerrillas and he claimed that Galan Sarmiento has a nationalist program and well-defined peace proposals.

"I, as a member of the Liberal Party of Colombia," he said, "call on the 19 April Movement (M-19), with all respect, to think about the possibility of supporting publicly the New Liberalism candidate, Luis Carlos Jimenez Sarmiento."

He added, "Colombia cannot become part of a Central American Vietnam and therefore the criteria with respect to peace cannot be mere electoral 'slogans,' but quick and practical actions which allow those who have taken up arms to return to national civilian life."

In another part of his speech, Jimenez Callejas invited the Peace Commission, over which Carlos Lleras Restrepo presides, to raise the issue of expediting decrees of states of seige to the government, through which the application of the universal principle of favoring courts-martial is ordered and the creation of a special jurisdiction which will autonomously render verdicts in trials for rebellion, sedition, mob violence and related cases.

The lawyer complained that "La Picota's" verbal court-martial--the longest in Colombia's history--has gone at a snail's pace now that, according to his contention, some 30 months have elapsed and the end is not yet in sight since 30 lawyers are still waiting to be heard and the military are acting as official defenders.

9908

CSO: 3010/845

BRIEFS

AMBASSADOR TO UNITED NATIONS--The former minister of foreign relations, Carlos Sanz de Santamaria, was appointed yesterday the new Colombian ambassador to the United Nations, a post held by Indalecio Lievano Aguirre who returned to this country in order to get back into political activities. Besides the Ministry of Foreign Relations post, which he held during the dictatorship of Gustavo Rojas Pinilla, Sanz de Santamaria was ambassador in Washington and in Brazil, minister of finance, mayor of Bogota, chairman of the Inter-American Commission for the Alliance for Progress and director of the Administrative Department of Civil Aeronautics. More recently, the new UN ambassador has been closely linked to Liberal Party political activities. [Text] [Bogota EL ESPECTADOR in Spanish 3 Feb 82 p 9-A] 9908

CSO: 3010/845

BRIEFS

EDUCATION CRACKDOWN--The year 1982 is to be one of firmness and seriousness of purpose for Government, Minister of Education and Health Charles Maynard told teachers today. Mr. Maynard said that as a young nation, we must become much more serious and that Government will take a very serious view of instances in the classroom where persons are not performing. "We cannot afford to have non-performance in this country of ours at this time of our development" the minister added. The Minister then went on to outline various forms of non-performance and listed persistent lateness, persons not turning up for work or doing the bare minimum and creating confusion in the classroom as areas of non-performance. Mr. Maynard said that those non-performers will not be encouraged next year. "In fact," he continued "they are going to find that they will be positively discouraged." The Minister told the teachers that they had an excellent place for the development of Dominica in education and called on them to consider that each one had a personal responsibility to develop their country. [Text] [Roseau THE NEW CHRONICLE in English 9 Jan 82 p 8]

CSO: 3025/174

BRIEFS

AIRPORT SPENDING--St. Georges Sat: (Cana). Minister of Finance Bernard Coard has told a 'conference of the economy' that \$38.7 m. (E.C) had been spent last year on the international airport project at Point Saline. Of this, he said yesterday, \$800,000 dollars was raised by local financing and \$10.8 million was a loan from Libya. Algiers and Syria had made grants of \$900,000 and \$3.2 million respectively and Cuba contributed \$9 million in materials and \$14 million in labour. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 31 Jan 82 p 2]

CSO: 3025/174

PPP CHARGES IMPERIALISM FORCES NATION TO BE ANTI-PEOPLE

Port-of-Spain TRINIDAD GUARDIAN in English 1 Feb 82 p 5

[Text]

GEORGETOWN, Sun. (Cana)

THE OPPOSITION People's Progressive Party (PPP) has declared that imperialism is using diplomatic, economic and other pressures to force Guyana and other countries in the Caribbean basin "to join the anti-people, anti-communist, anti-liberation axis, which already includes Jamaica, Barbados, St. Vincent, Dominica and Antigua."

In a week-end statement the PPP charged that "imperialism is threatening Cuba, Nicaragua and Grenada. Suriname is also in peril and imperialism has arm-twisted nine Latin American countries, including Venezuela and Colombia, to condemn the French-Mexican declaration of support for the revolutionaries in El Salvador."

Among other developments which the PPP listed as not portending well for the region were "US military aid to Barbados and some other Caribbean countries and Guyana, Guyana's shopping for arms and military aircraft in Brazil, the feteing of the Foreign Minister of Brazil, (Barbados) Prime Minister Tom Adam's private tete-a-tete with (Guyana President Forbes) Burnham at Kimbia, Burnham's imminent visit to Antigua, and President

Reagan's (planned) "holiday" in Barbados in April.

PPP said that in the 1960s imperialism attempted, unsuccessfully, to stop the march of progress in the Caribbean and Latin America with its cry of "no more Cuba's in the Western Hemisphere, and that once again it was making its reckless attempts."

PPP said it "calls on the Guyanese and Caribbean people to give a resolute answer: "revolution-yes, imperialism-no."

The party also claimed that Guyana's ruling People's National Congress (PNC) after its years of "twisting and turning" is "returning to the imperialist fold."

PPP called on Guyanese and Caribbean peoples to resist the "manoeuvres of imperialism to enslave the region."

CSO: 3025/174

BRIEFS

BAUXITE LOSSES--Georgetown: Guyana's vice-president for Economic Planning and Finance Desmond Hoyte has said preliminary estimates put losses in the bauxite industry last year at nearly \$100 million while \$75 million were lost in the sugar sector. During parliamentary debate, Mr Hoyte said the big losses were attributed to low prices on the overseas markets. The losses were part of the reason for the sharp decline in national savings which have been falling since 1978, he said. [as published] Sugar production just passed 300,000 long tons last year. The bauxite industry's publication, GUVMINE NEWS, said that the soft international market for aluminium led to declines in bauxite production, including a 30 per cent drop in calcined bauxite--a main foreign exchange earner--which was down to about 514,000 tons. Mr Hoyte said Guyana would have to face problems such as increasing oil prices and greater difficulties in obtaining external loans due to the world recession. The utilisation of Guyana's internal resources would be important, and "there should also be continued tightening up of operations of agencies like the Inland Revenue and the Customs Department where millions of dollars are lost through malpractices," to combat the economic problems facing the country, Mr Hoyte added. The vice-president also said that Guyana needed cooperation between the government, the Trades Union Congress and opposition political parties to promote the economic conditions to restore production levels. But the opposition Peoples Progressive Party (PPP), which had boycotted the president's speech, walked out of Parliament after its leader Dr Cheddi Jagan was denied extra time to complete his contribution to the debate. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 1 Feb 82 p 13]

CSO: 3025/174

PAPER COMMENTS ON UNDERLYING REASONS FOR CABINET SHIFTS

Kingston THE DAILY GLEANER in English 1 Feb 82 p 6

[Text]

The move of Mr. Charles to Public Utilities and Mr. Ross to Local Government has more significance than that mentioned by the Prime Minister in his release. According to Mr. Seaga, a major problem in the Public Utilities is industrial relations, and Mr. Charles' experience in that field could be decisive. Similarly, Mr. Ross' close connections with Local Government at the rural parish level could be of great benefit.

While we do not doubt the above considerations, it would appear to us that Mr. Charles' success in the Government has been his penchant for facing unpopular issues and for calling a spade a spade. But perhaps his success has been principally in the Corporate Area where he has dwarfed the Mayor and Council in tackling the issues such as street vendors, garbage collection and the bushing of lots. Under Mr. Ross there may be a more even-handed spread of attention to the rural parishes, especially St. Mary (Mr. Ross' parish) where the problems are many and great.

As for Public Utilities, if the government is unwise enough to keep ownership of them, a Minister of Mr. Charles' daring, bluntness and toughness may succeed in lifting the morale of the beleaguered utilities, not one of which is performing creditably. Perhaps there is a case for transferring responsibility for the water utility to that Ministry, especially as the National Water Commission has been beset by industrial relations problems — to adopt the Government's argument.

We should hope that Mr. Charles will deem it necessary to revert to the principle of a Public Utilities Commission which can monitor the Utilities and enable greater public participation for example on the question of increase of rates.

The shift of Mr. Buck to the Prime Minister's Office to assist Mr. Seaga not only in Mining but also in other aspects of his portfolios such as representation at international financial forums makes sense, as is that of Mr. July to Youth in view of the fact that the civil service competence in Mining is so assured that there is

little left for political assistance in this area to the Prime Minister.

But to us the real significance of the Prime Minister's reference to industrial relations experience as the reason for Mr. Charles' shift to Utilities is the unwitting underlining of the frustrating position in which the Ministry of Labour finds itself. This, after all, is the Ministry which has Industrial Relations as its major subject. Yet on the question of the Alumina-Bauxite wage negotiation, it is the Minister of Foreign Affairs who is dealing with it, and now it is Mr. Charles who is being put in charge — however indirectly — of industrial relations in the public utilities.

Perhaps the time has come for the Ministry of Labour and the Public Service to be divided with the Public Service section returning to the Ministry of Finance from which (as the Establishment Section) it should never have been removed, thus leaving Mr. Smith free to concentrate his talents on the Leadership of the House, Electoral matters and the vitally important subject of Industrial Relations.

MINISTER OF AGRICULTURE OPTIMISTIC ABOUT SUGAR CROP OUTLOOK

Kingston THE DAILY GLEANER in English 27 Jan 82 pp 1, 14

[Excerpt] Government is of the opinion that the sugar industry can be restructured to play a pivotal role in Agriculture. The Government is also satisfied that recovery can begin with this present crop, and that tangible benefits can be shown by the end of the crop in the form of more efficient production.

These statements were made yesterday by the Minister of Agriculture, the Hon. Dr. Percival Broderick, as he addressed a meeting at the New Kingston Hotel of over 400 sugar workers, union officers and delegates and management personnel in the sugar industry.

Dr. Broderick appealed to management, workers and unions that whatever differences which may arise, whatever problems--real or imagined--be approached in a spirit of negotiation and compromise.

"There ought to be no problem in the industry that cannot be settled by negotiating your differences. We have got to avoid confrontation...as this can only lead to unnecessary disruptions which the industry in its present position cannot afford," he said.

Over the years the sugar industry has been one of the mainstays of the economy, both in its potential to earn foreign exchange and its potential to provide employment.

At the present time, "we still have the factory capacity to produce 400,000 tons of sugar and guaranteed market outlets for 330,000 tons of sugar. This means that the industry has a potential to earn over \$200-million worth of foreign exchange a year, while providing secure employment for its 50,000 workers."

Dr. Broderick reflected on the fact that last year the industry "struggled to produce 201,000 tons of sugar--the lowest in 30 years. This meant that only half of the capacity was used," he said, and this performance only contributed in putting the industry deeper in debt.

Referring to the debts of the various agencies in the industry and the winding up last year of the sugar workers co-operatives, Dr. Broderick said:

"I should tell you that since the winding up of the Co-operatives, we have had to be paying out money for debts which we didn't even know about. One of those

debts, incidentally, was to the National Insurance Scheme for which millions of dollars had been collected and not paid over.

"All this had to be paid. The whole sum and substance of this is that the sugar industry is up to its neck in debt."

Speaking of the measures which had been taken, and were being taken, to restructure the industry and make it efficient, the Minister said:

"Government is of the opinion that the sugar industry can be restructured to play a pivotal role in Agriculture. The industry has the potential to earn foreign exchange--and we need the foreign exchange."

"The industry has the potential to employ people. It currently employs some 50,000 persons and indirectly affects another 250 thousand to 300 thousand persons. When we speak of the wage bill we are talking about a lot of money which this industry puts into circulation...over \$100 million each year."

"The Government is doing everything in its power that it can be reasonably expected to do to help this industry to recover and fulfil its potential as a foreign exchange earner and a secure industry for its workers. But let me remind you that the Government alone cannot do it."

One of the immediate targets is to increase cane production by planting more cane and to increase productivity per acre, he said. Instructions have been given for a proper plan for re-planting of cane on each estate of previously co-operatively farmed lands.

In order to assist in the cane production programme for 1983, all the fertilizer has been ordered and some of it has been in the island now for some time. The rest will arrive in time to meet the fertilizer schedule.

"Government is satisfied that recovery can begin with this crop and that tangible benefits can be shown by the end of this crop. While those benefits may not be seen in a significant increase in production this year, they should certainly be possible in more efficient production," Dr. Broderick said.

CSO: 3025/170

FOREIGN MINISTER DISCUSSES BASIN PLAN, RELATIONS WITH U.S.

Kingston THE DAILY GLEANER in English 26 Jan 82 p 5

[Text]

JAMAICA would welcome the participation of countries outside the region in the proposed Caribbean Basin Plan, Deputy Prime Minister and Minister of Foreign Affairs, the Rt. Hon. Hugh Shearer said on Friday.

Answering a question from a visiting Parliamentary delegation from Canada Mr. Shearer said that Jamaica would welcome such countries which had the capacity "to work with us and from which we can benefit". The question had made specific reference to the participation of territories like the Scandinavian countries.

Speaking on the impression that he had drawn regarding the position of the United States of America, Canada, Venezuela and Mexico, on the plan to date, Mr. Shearer said that, arising from a recent meeting between those countries and a technical team from the wider Caribbean group, Canada had indicated that it was not able to increase official aid.

Venezuela had pointed to its assistance by way of the oil facility Mexico which was not represented at the meeting, took a

similar line, he understood. The United States was reported to be interested in the "thrust of assistance" being made through the private sector, with a limit being placed on official aid. Led by Mr. Maurice Dupras, who is Chairman of the House of Commons Sub-committee on Latin America and the Caribbean, the delegation came here on Thursday on a study mission of Canada's relations with the Caribbean and Central America.

They had meetings with the Prime Minister, the Hon. Edward Seaga; with the Leader of the Opposition, Mr. Michael Manley; and with members of the business community. They left on Friday for Costa Rica.

Law of Sea

Dealing with Jamaica's attitude towards the United States objections to some clauses of the draft of the Law of the Sea Convention, Mr. Shearer said it was his understanding that a report on the matter from the American side would be turned in to President Reagan not later than this month.

Jamaica was awaiting the response of the United States Government to "that aspect of the matter". The country had

not made any direct or specific appeal to the United States Government on the subject.

An Canadian membership in the Organisation of American States, Mr. Shearer said Jamaica did not see Canada's membership as endangering Commonwealth relationships. "We have never entertained the thought," he said.

Regarding Jamaica's position on assistance from foreign countries, Mr. Shearer said Jamaica was not seeking handouts.

"We are not burdening anybody with our problems. We are seeking to produce, the opportunity to invest, to earn foreign exchange and to buy goods and services needed to improve our economy," he said.

Concerning the situation in El Salvador, Mr. Shearer said that the Jamaica Government wanted to see an end to the supplying of arms into the country by all parties.

Jamaica also wanted to see "properly organised" elections on the basis of one man, one vote there. He had not been to El Salvador, so he could not say if such an election could be held there now he said but he understood arrangements were being made for elections to be held in March.

Mr. Shearer also said he was not competent to

comment on the question of Cuban troops in Africa. That was something to be dealt with by the African governments which allowed foreign troops to take action in their country, to use their facilities, or were just stationed there.

"My authority and responsibility rest inside the shores of Jamaica. My comment is restricted by that authority", he said.

As to whether Jamaica was depending too heavily on external private-sector Assistance Mr. Shearer said the Government did not believe that this was so.

There was a limit to the assistance which international agencies could provide and the country could not build a good foundation solely on relying on international agencies, he said.

The Government had therefore decided to use money and expertise from private sector sources. Some people, because of "bases of ideology", were questioning this. However, such assistance would not be introduced here on unfair terms.

Mr. Shearer also told the delegation that the present Government supported the move for a "Zone of peace" in the Caribbean and had signed such an agreement in Mexico.

EDITORIAL SCORES ALUMINUM WORKERS FOR STRIKE ACTION

Kingston THE DAILY GLEANER in English 30 Jan 82 p 10

[Text]

The decision by workers at Alcan in Manchester to withhold their labour until the wage negotiations are concluded adds a new ominous twist to an already dangerous situation. The workers have now defied their union, the NWU which had instructed them to return to work, and the company — the first alumina company to operate in Jamaica has had no option but to close down the plant. This follows the shut down of another Alumina Company — JAMALCO — which was forced to close down by an illegally called strike by some workers who gave no notice.

That illegal action was upheld by the NWU, but did lead to a resumption of the stalled negotiations this time under the chairmanship of the Deputy Prime Minister Mr. Shearer, a former Prime Minister, and with another former Prime Minister, Mr. Manley involved as a consultant to the NWU. The resumed negotiations have been going on for three weeks. The union has revised its

extravagant 180 percent increase claim and the Companies have responded to that with a new offer which has been rejected by the NWU. The decision by the Alcan workers to strike and to defy established industrial relations practice and their Union can only be seen therefore as an attempt to intimidate the companies and their own union.

In our view, the negotiators — both companies and union, as well as the Deputy Prime Minister, should refuse to conduct any further talks until there is a resumption of work at both Alcan and JAMALCO.

The time has come for firmness on the side of the law. Negotiations in the face of illegal strike action would be bending the knee to arbitrary force. It is indeed an alarming situation which suggests that there may be forces intent on holding back any possible recovery in the re recession-bound bauxite-alumina industry, so vital to Jamaica's welfare.

CSO: 3025/170

BRIEFS

FRIENDSHIP WITH IRAQ--A Jamaica-Iraqi Friendship Society has been formed. This took place on Sunday Jan. 17, at a meeting held at the Pegasus hotel, New Kingston, where a steering committee was appointed. Mr. Clive Williams was elected chairman; Mr. Seraj Lakasingh, deputy chairman; Mr. George Shoucair, Secretary General; Miss Joan Williams, deputy general secretary, and public relations officer; and Mr. Eddie Shoucair, treasurer. The society's aims are to "strengthen the friendly relations between the Jamaican, Iraqi and Arab people, and to increase the level of understanding between the people." Four committees were formed on this behalf. These are the International Affairs Committee, The Entertainment Committee, Special Projects Committee, and the Membership Committee. Mr. Sahab Al-Iman, Iraqi's Charge D'Affair, welcomed the members and expressed the hope that it would become a "vibrant" Society which would benefit the people of Jamaica and Iraq, through exchange in culture unions, press, as well as helping needy organizations in Jamaica. The official launching function of the Society is to take place in April and Mr. Iman has undertaken to invite a delegation from the Iraqi-Jamaica Society in Iraqi to attend. Mr. Iman and Mr. Saad Dawood of the Iraqi Embassy are ex-officio members of the society. [Text] [Kingston THE DAILY GLEANER in English 26 Jan 82 p 18]

CSO: 3025/170

NATION'S LARGEST WATER PURIFICATION PLANT TO OPEN

Mexico City EL SOL DE MEXICO in Spanish 4 Feb 82 p 18-A

[Article by Sergio Gomez Padilla]

[Excerpts] Cutzamala, Mexico, 3 Feb 82--Early next March, the Federal District and 11 outlying municipalities will receive the first "imported water" that will be produced in the largest water purification plant in the country at a rate of 4,000 liters per second, the technicians that make this prodigious benefit possible informed Alfonso Olvera Reyes, the mayor of Tlalnepantla, here today.

The liquid, originally denoted as "raw water," will be drawn from the Cutzamala River--which in turn will be supplied by the confluence of the Purungeo, Tuxpan, Zitacuaro, Tuzantla, Tilostoc and Temazcaltepec rivers--as well as from the backwaters of the Villa Victoria, Bravo Valley and Colorines dams, and following a complicated system of purification, it is conveyed by a huge pipeline to Mexico City and the metropolitan area for its distribution.

Engineers Rodolfo Propeza, Miguel Name Curi, Juan Antonio Margain and Felix Paine Tylor, among others, gave a detailed explanation of the operation of this plant, which has been dubbed the "water factory" of the republic, to Mayor Olvera Reyes (invited by Governor Alfredo del Mazo to tour the installation) and the large group of people consisting of all the members of the city council, leaders of industry and commerce, representatives of service clubs, presidents of farmers associations and many other representatives of organized groups. The cost of the works to supply the consumption needs of 24 million inhabitants until the year 2000 are calculated at 20 billion pesos, and a huge system is being built for that purpose consisting of a 180-kilometer network of prestressed concrete pipe of 2.5-meter diameter, 4,500 meters of steel pipeline of 3.1-meter diameter and 7/16-inch and 1-1/2-inch thickness, 18 kilometers of tunnels of 4-meter diameter, 9 kilometers of covered canals, 120 kilometers of access and service roads, a water purification plant of 24-cubic meter per second capacity and seven pumping stations.

The water will be raised to a height of 1,100 meters (about seven times the height of the Latin American Tower), therefrom forced to its destination by gravity. The pumping of the water from the purification plant alone is equivalent to hurling a weight of 19 tons to that height every second, and for that purpose there is a pumping system considered to be one of the largest in the world.

According to the hydraulic technicians of the water system, the purification process will require the daily use of 94 tons of aluminum sulfate, 31 tons of lime and 17 tons of chlorine, among other things.

Emergency Water System

In the explanations given by the technicians of the plant, it was reported that in order to prevent the scarcity of water in various sections of the capital, the department of the Federal District is building a water system in the northern section of the capital in what might be considered to be an emergency plan to supply the vital liquid to the city.

This project, which will cost 6.5 billion pesos and be completed in 1984, is intended to ensure the supply of water for the capital in case of an emergency or a disaster that will damage the supply systems, on the basis of the peripheral distribution system that will be 75 kilometers long. It will be in the area of Amalco, located north of the Federal District, that the first phase of that project will begin with the installation of a 3-meter pipeline of particular characteristics, depending on the lay of the land.

The project, engineer Guerrero Villalobos concluded, seeks to have available 30 cubic meters of water per second at all times in order to supply the areas that might be affected by some disaster.

[PHOTO CAPTIONS:]

Mayor Alfonso Olvera Reyes toured the water purification system of Cutzamala in the state of Mexico at the head of a large group of residents of Tlalnepantla, representatives of industry, banking and commerce, as well as representatives of service clubs.

Partial view of the purification modules of the Cutzamala water system, which in the near future will supply enough water for 20 million residents in the Federal District and the metropolitan area of Mexico Valley.

One of the most powerful pumping systems in the world will move 19 cubic meters of water per second to a height of 1,100 meters, to supply Mexico City and its environs.

8414

CSO: 3010/785

OFFICIAL DISCUSSES CENTRAL AMERICAN REFUGEES

Mexico City EXCELSIOR in Spanish 2 Feb 82 pp 5-A, 27-A

[Article by Felicitas Pliego]

[Text] Luis Ortiz Monasterio, coordinator of the Mexican Refugee Aid Commission, announced that foreign interests are manipulating the refugee situation to frustrate Mexico's policy toward Central America, and for this purpose, they overstate their number and falsely accuse the authorities of corruption and assumed deportations.

When making believe that the Southeast is ablaze, U.S. news media are trying to contrast the Mexico-United States policy and the Central American refugee situation. "It is necessary to maintain the thing at its real level," the official emphasized.

In that sense, the interviewee continued, it is necessary to point out that the opening of an office of the UN High Commissioner for Refugees in the Federal District is a recognition of the work of the Mexican Government in this field.

"The truth is that the migration authorities have respected all these people and that none of them have been returned to their country. None of the harassing denunciations have been confirmed by the commission that is permanently at work in the border zone with Guatemala."

In addition to the Mexican Government's guarantee that they will not be expelled, the refugees receive aid in the form of food supplements--the 3,000 Guatemalans who arrived in the last two weeks brought with them corn and beans, "and many of them cross the border daily to milk their cows"--and medical assistance. Some 80 percent of the 3,000 persons are children suffering from gastroenteritis and acute malnutrition.

They Wish To Return To Their Country

The total number of Central American refugees in Mexico does not exceed 140,000 Ortiz Monasterio asserted, and some 92,000 of them are Guatemalans. About 12,000 have crossed the border for fear of the violence in their country of origin.

Almost all of those who have been interviewed by the commission expressed interest in returning to Guatemala "no later than May," in order to ready their fields for the next agricultural cycle. Some of them have voluntarily started to return to their country.

In the past few weeks, there was a small increase in the traditional flow across the border in the area of Trinitaria, below Comitan, Chiapas. The people who are arriving already have been organized in 22 small cantonments. All speak Spanish, except one, and had visited Mexico before.

Some have started working in agriculture. Some days ago, two children were born in Mexican territory. Seven women expect to give birth within the next two weeks. Medical assistance is being provided to them.

This group of 3,000 persons in particular is more favorably inclined toward the migration authorities. They are willing to obey the laws. All of them complain of the growing brutality of the Guatemalan army.

Optimism for the Future

Mexico has the legal and material resources to comply with the presidential agreement to protect and help the refugees. We can respond calmly, always within the realm of the legality that no aid can infringe, the coordinator of the commission commented.

"At this time, we are conducting a general census of the Central Americans in Mexico. We also have 70 Haitians in Merida who are being taught Spanish."

8414
CSO: 3010/785

TRADE DEFICIT WITH U.S. TO EXCEED \$4 BILLION IN 1982

Mexico City EXCELSIOR in Spanish 1 Feb 82 pp 4-2, 12-A

[Article by J. Jesus Rangel M.: "The Trade Deficit with the United States Will Reach \$4.184 Billion in 1982"]

[Text] The rapid reactivation of the Mexican economy beginning in 1979 increased Mexico's trade deficit. With the United States, which jumped from \$1.36 billion in that year to \$3.34 billion in 1981 and will probably reach \$4.184 billion in 1982.

The Mexican Foreign Trade Institute (IMCE), with data from its Programming and Budget Secretariat, made this known yesterday and noted that, if revenues generated by the sale of crude oil and gas are excluded, Mexico's deficit will be much larger.

Making an analysis of Mexico's trade balance with the United States from 1976 to date, the organization observed that the devaluation of the Mexican peso resulted in the fact that the trade deficit of \$1,701 million in that year dropped to \$868 million in 1977.

Nevertheless, it indicated that, despite the increases in revenues flowing from the exports of hydrocarbons to Mexico's northern neighbor, beginning in 1979, the deterioration in its trade balance accelerated with the rapid reactivation experienced by the Mexican economy.

The deficit in 1979 stood at \$1.36 billion; in 1980, it was \$2.688 billion; in 1981, it was estimated at \$3.340 billion; and, in 1982, it is expected that the figure will reach \$4.184 billion.

The public agency noted that the deterioration in Mexico's trade balance has been due mainly to the "appreciable dynamism of public and private investment which has made possible a high and sustained rate of real growth in economic activity and whose import component is high."

Also because of the growing increase in domestic demand which reduced the exportable surpluses of those products which compete directly with said demand; to the less competitive price structure of Mexican exports because of the higher inflation rate, and the contraction of demand in the United States for some Mexican products because of the economic recession prevailing in the former.

The agency noted that, if revenues generated by the sales of crude oil and gas to the United States beginning in 1979 are excluded, one "finds a sharp drop in income from exports, particularly of products from the manufacturing industries and agricultural primary commodities."

With data from its Programming and Budget Secretariat, IMCE noted that the annual growth rate of Mexican exports to the United States, excluding hydrocarbons, was 19.6 percent in 1977; 39.6 percent in 1978; 6.8 percent in 1979; and 6.2 percent in 1980.

Mexican imports from the United States from 1978 on indicate "an appreciable acceleration," namely, 26.4 percent in that year, 62.9 percent in 1979, and 61.2 percent in 1980, in both the public and the private sectors.

Finally, the agency observed that these imports were basically for intermediate and capital use which the investment programs of these two sectors call for, in addition to the purchase of food products in the public sector.

2662
CSO: 3010/810

BRIEFS

ARMY TRAINING FOR POLICE--Merida, Yucatan, 31 Jan--The 1,400 personnel of the state's General Directorate of Public Security [DGSP] will be trained by the Mexican army and there will be a reorganization of the police corps, which has lost the confidence of the people. On assuming his position as head of public security today, Gen Alfredo Navarro Zuloaga, appointed by Governor Graciliano Alpuche Pinzon, asserted that he had available both retired personnel and those on active duty in the army and that these will provide the training and proficiency needed by the state's police corps. He denied that the corps will be a paramilitary police and he answered criticisms voiced by the local press, noting that "this military training will serve the population of Yucatan only for security purposes and not as a means of repression." [By Evilacio Pereyra] [Text] [Mexico City EXCELSIOR in Spanish 1 Feb 82 p 30-A] 2662

WEAPONS SMUGGLING INCIDENT--Zihautanejo, Guerrero, 31 Jan--Customs agents seized at the international airport today 44 weapons and 1,400 rounds of ammunition from Jorge Rendon Pullada, claiming to be an adviser to the head of the General Directorate of Police and Traffic [DGPT], Arturo Durazo Moreno. Inexplicably, the former was not arrested. The second-ranking customs official, Cuauhtemoc Zamudio, explained that Rendon Pullada had arrived from the United States with two huge suitcases and tried to ingratiate himself with the customs personnel, which made him look suspicious. The official added that the arms smuggler displayed a credential according to which he was accredited as an adviser to Gen Arturo Durazo Morena and the suspect even noted that whoever prevented him from getting through customs with his weapons would be dismissed. Rendon Pullada had 22 .22- and super .38-caliber pistols, 22 high-powered rifles, and 1,400 rounds of ammunition. The customs agents of Zihautanejo's international airport handed over the smuggled weapons and equipment to Gen David Garcia Tejero, commander of the 19th Infantry Battalion headquartered in Petatlan. [By A. Sanchez M.] [Text] [Mexico City EXCELSIOR in Spanish 1 Feb 82 p 30-A] 2662

CSO: 3010/810

SIMMONDS EXPLAINS DECISION TO WITHHOLD SUGAR BONDS PAYMENT**Text of Address**

Basseterre THE DEMOCRAT in English 16 Jan 82 pp 1, 12

[Text] I wish to speak to you on the critical situation affecting the sugar industry, as it relates to the question of a special bonus for 1982, and I want to examine with you the facts surrounding this situation once again.

Ever since my Government came into office on 19th February 1980, we have demonstrated our willingness to improve the financial rewards of the more than 5,000 workers employed in the sugar industry.

Throughout Caribbean

The present situation in the sugar industry is not the making of this administration, nor is it even peculiar to this country.

The sugar industry in Barbados is in dire straits, but they have tourism, and tourism is their largest earner of foreign exchange.

Jamaica's sugar industry is in trouble, but they have bauxite among other things to supplement their income.

Trinidad's sugar industry has suffered serious losses, but they have oil as their major source of revenue.

Guyana's sugar industry, like the others, is in trouble but they have bauxite, gold, rice etc.

Throughout the Caribbean sugar industries have been devastated by the catastrophic fall in the price of sugar from £400 per ton in January 1981 to less than £160 per ton now.

Eminent Economists have forecast for years that the bottom was likely to fall out of the sugar basket, yet their advice seems to have fallen on deaf ears in St. Kitts-Nevis. We do not yet have the alternatives to fully supplement and complement the sugar industry.

Government's Concern

The record of this administration's efforts at diversification is outstanding and speaks for itself. However, I will not harp on that at this point. The sugar industry is in trouble, it is a cold, hard fact and we have got to come to grips with this industry as we find it--not as we wished it were.

No one can deny our concern for our citizens who are employed in this precarious industry. In fact, sugar workers were the first beneficiaries of our coming into office in February 1980. In that eventful first week in office we raised the basic rate of pay for all NACO and SSMC workers up to a level of 25% over 1979 and paid a back pay to the start of crop. The result was that the workers received 2.2 million dollars more than they were expecting at the start of the crop.

I mention it at this time because it should still be fresh in your minds, and it clearly demonstrates our desire to give increased benefits to the workers in the sugar industry when circumstances permit.

Up to January 1981 when goat water was paid, the price of sugar on the world market was £400 per ton, the pound was worth E.C. \$6.40. In these circumstances the Government was again generous and paid a record goat water payment of 2.6 million dollars, more than 1978, 1979 and 1980 combined.

Dull Season Bonus

While the price was good, my Government introduced for the first time in the history of the industry a dull season bonus scheme to provide relief for sugar workers at that time when they are most in need of financial assistance. That bonus was paid even though the price of sugar fell sharply and the industry earned less revenue.

Recognising the uncertainty of the industry, I have been at pains on numerous occasions to reassure workers that when there is plenty they will get in proper measure and that when there is none we expect them to be understanding and work towards better times.

Examination

Against this background, I would now like to examine the factors which have influenced the Government's decision in respect of the "goat water" bonus.

Up to January 1981 the price of sugar on the world market was at £400 per ton. Prospects were so good that all of the international sugar brokers operating in the United Kingdom and the United States advised us strongly against selling any sugar so early in 1981, as they were confident that the price of our sugar would rise above £400.

That did not happen and the hard facts that confront all of us are these:-

(1) Instead of rising about £400 per ton, the price of sugar DROPPED to about £160 per ton at present.

(2) Instead of an exchange rate of \$6.40 for the pound sterling, the pound has FALLEN to just over \$5.00.

(3) Sugar production now costs £200 per ton, whereas the world price is just £160. This means it now costs much more to produce a ton of sugar, than we get when we sell the same ton of sugar.

(4) An enormous amount of money has been spent in saving the crop from the ravages of smut disease. About 1/3 of the entire acreage was diseased, and the replanting programme has just been completed. Government undertook the entire replanting programme, including the plot holders at Saddlers, Harris' and Fahies.

(5) NACO, the field side of the industry, which employs some 5,000 sugar workers, already carries a large overdraft because the industry has been losing money since NACO was started in 1975. The present overdraft is about 33 million dollars.

(6) The July 1981 Report from the Bookers Agricultural Company has clearly warned that if nothing is done to try to limit the increasing overdraft, the sugar industry itself will soon disappear. The country cannot afford to ignore this serious warning.

(7) Inflation and recession in the outer world are sending the cost of fuels and fertilisers higher and higher all the time.

(8) NACO's jeeps, tractors and other vehicles are in dire need of replacement. Maintenance and operating costs are therefore higher than they should be.

(9) The competition provided by the record beet sugar crop in Europe last year is making it more difficult for cane sugar to fetch an economic price on the world market.

(10) In 1981 the NACO's total revenue from the sugar crop was 11 million dollars, and the total wage bill was 15.3 million dollars. This does not take into account the other costs of running the industry. In 1981, NACO's wages alone exceeded its income by over 4 million dollars.

(11) NACO lost in 1981 roughly 18.4 million dollars. There are clearly no proceeds from the industry. Government has to put money from other sources into the industry to keep it going and protect the livelihood of the sugar workers.

Decision

It was as a result of these bleak facts, and in the light of Government's previous generosity to the sugar workers even against the background of the increasing difficulties in 1980 and 1981, I announced to you Government's decision to suspend the special bonus payment this year.

These then are the main factors which weighed heavily in Government's decision to suspend this special payment.

It must be remembered that the special bonus (goat water) payment is and always has been an ex-gratia payment made from Government revenue. The decision to pay or not to pay rests with Government and is related to the totality of our sugar earnings and the state of the economy.

The country as a whole has always been aware that conditions in the industry could at any time make it necessary to suspend the payment. Paragraph 27 of the 1976 Budget Address by the then Minister of Finance the Honourable R. L. Bradshaw is relevant, and I quote:-

"The result is that we do not know--and cannot be sure--whether the totality of our 1976 sugar earnings will enable us to make a special payment to sugar workers next January."

Measures Taken

Let me make it clear that other measures have been instituted in an effort to stabilise the industry as much as lies in our power.

To this end stringent measures have been introduced to control and reduce the use of fuel which is a major expense.

Order Controls have been instituted and credit authority has been centralised. Every effort is being made to streamline expenditure throughout the industry.

In addition we have sought the advice of the CDB and the IMF whose experts have already studied the situation with a view to reporting to us shortly.

Harvesting

We all recognise that the situation of the industry and the country as a whole can only be made worse by any delay in harvesting the 1982 crop.

Wages of sugar workers are at an all time high and with the bonuses which still remain, workers could maintain or even increase their earnings in 1982 by diligent work. There need be neither hardship nor suffering. They can be avoided if the crop is reaped because Government is continuing to carry the burden of the industry even as we try to solve its problems.

The Future

If conditions improve, any benefits which accrue will be passed on to the workers.

It must be clear by now to all of us that what is at stake is not merely the special bonus, but rather the survival of the sugar industry and the long-term livelihood of the more than 5,000 workers employed in it.

This is the time for every well-meaning citizen to rally to the cause of this country. Let us put community before self, country above personal ambitions.

Let us do everything in our power to ensure that the industry survives and the workers livelihood is secured.

God Bless You.

Editorial Support

Basseterre THE DEMOCRAT in English 16 Jan 82 p 2

[Text] This week, the Nation owes the Honourable Premier Dr. Kennedy Simmonds, a Vote Of Thanks for the responsible and statesmanlike manner in which he presented himself to the Nation on ZIZ Radio and Television on the question of the Goat Water Bonus and the unhappy state of the Sugar Industry.

Government's decision not to pay a Goat Water Bonus at this time, was not an easy decision for any Government to make. It was a hard and unpopular decision but the right one if the sugar industry is to survive.

What we have to admire about this Government is that, they have a resolve to do what they know is right and what has to be done in the best interest of the Nation. And if this country is to move forward economically, socially and politically, it is going to take tough decisions and follow through, to cure the diseases that beset our society. The cure will not be found without some discomfort.

The job of Premier is not the easiest one in the world. This country has had a succession of Premiers who left office in tragedy or disappointment and the legacy has been one of frustration. Premier Simmonds predecessors failed to tackle the long overdue task of diversification of the economy inspite of numerous warnings that this is a must for the future. They paid only lip service to the cause but in truth and in fact, it suited their purpose to keep this country tied to sugar as the mainstay of the economy so that they could continue to exploit and manipulate the sugar workers for party political purposes.

The Honourable Premier has been taking a lot of abuse from the defeated and bitter Labour Party bosses. They are screaming like a stuck pig and are busy running around the country urging sugar workers not to work unless they get that bonus, and to top it off they are requesting a 50% wage increase for sugar workers for 1982.

We say that the public won't buy Labour's brand of hysterical stereotype, political jargon. [as published] The public has not forgotten Labour Party bosses protests when Government gave sugar workers the additional wage increase in February 1980.

Furthermore, we believe that the Simmonds administration has shown more compassion and understanding of the problems of the sugar workers than Labour Party administrations.

Labour Party bosses cannot stand the fact that Dr. Simmonds is Premier. They hated him before and its worse now. [as published] They underestimated Premier Simmonds before and still underestimate him. But the Premier stands head and shoulders above all of them and has earned the respect of the citizens of this country in a way none of them can.

Let us pray that this Government succeeds at a brisk rate with their programmes aimed at the diversification of the economy or else, come January of each year, this country will be subject to the Labour Party bosses blackmail and sabotage of the sugar industry.

Price Hike Furor

Port-of-Spain TRINIDAD GUARDIAN in English 30 Jan 82 p 5

[Text] Basseterre, Fri; (Cana):

St. Kitts-Nevis Agriculture Minister, Michael Powell, has said that there is no truth to claims that the Government unilaterally decided to raise the domestic price for sugar without consulting the St. Kitts-Nevis Trades and Labour Union.

Mr. Powell said he had written the union a strong letter of protest, and said its representatives were indulging in "mischief-making", and "fraudulent behaviour."

Government increased the price of brown sugar from 55 cents to 77 cents, following an agreement with the workers' union on a four-million-dollar wage and bonus agreement.

Mr Powell said the union representative at the wages negotiations had been trying to cover up the fact that the union had failed to get a 50 per cent wage increase, and had settled for a three per cent hike.

He said the workers would actually be getting an advance payment of their end-of-crop bonus and would not be receiving the "goatwater"--a special pre-crop bonus which has been a traditional incentive for workers.

CSO: 3025/171

SIMMONDS' CHRISTMAS MESSAGE REVIEWS GAINS MADE IN 1981

Basseterre THE DEMOCRAT in English 2 Jan 82 pp 2, 7

[Excerpts] Fellow Citizens,

I trust that there is joy in every heart this Christmas morning.

I invite you now to pause from the merriment and gaiety to take, with me, a brief retrospective look at 1981. The most appropriate place to start is the sugar industry.

In 1981, we completed the eradication of the smut disease from the sugar cane and the consequent replanting programme. This coupled with the fall in the world price of sugar and the depressed value of the pound sterling, reduced our earnings from the sugar industry. However, based on surpluses realised from 1980 we were able to pay the largest goat water payment ever, in January. In spite of the obvious problems of the industry a significant measure of relief was brought to our workers by the payment of a dull season bonus for the first time in the history of the industry.

However, all of us must recognise that there is a limit to what the sugar industry can do for this country. The Government has therefore in 1981 continued its bold thrust into the development of tourism as a major step in the diversification of our economy.

Significant developments in air transportation have not been confined to St. Kitts. We have seen the resumption of the Coral Air flights to Nevis from the Virgin Islands and the start of Winair service also. Last Christmas Eve we turned the lights on at Newcastle airport in Nevis.

At that time the use of those lights always resulted in serious shortages elsewhere. Now that problem has been corrected. In August of 1981 a new 905 KVA generator was installed in Nevis and on 14th October I had the honour and pleasure of switching it on. This generator was bought from our own revenue--not donated.

Even though a great deal of attention has been paid to the development of tourism, much progress has also been made in agriculture. It is vital that we develop the capacity to feed both ourselves and our visitors and so reduce the exodus of foreign exchange. Apart from the food crops programme of NACO we have been assisting farmers and fishermen with loans, extension services and marketing. In this

regard, the Ministry of Agriculture has been able to organise through the Central Marketing Corporation for a lively export trade in dry coconuts. Shipments began leaving here in October of this year.

We have secured the services of a CFTC co-operatives adviser who is now in the State to assist with the development of co-operatives in farming and fishing.

One outstanding feature of our agricultural diversification effort has been the re-introduction of cotton in Nevis. In 1980 70500 lbs of seed cotton was produced from 200 acres of which 160 acres was cultivated by small farmers. In 1982 we propose to cultivate 440 acres of which 400 acres is allotted for small farmers.

Like all developing countries we have been plagued by the problem of the high cost of energy. It was therefore gratifying to us in the Ministry of Trade, and a measure of relief to you when we were able to secure price reductions on kerosene from \$4.47 per gal. to \$4.23 per gal. in July 1981; Gasolene from \$4.85 per gal to \$4.75 per gal in January 1981; LPG from \$102.49 for 100 lb cylinder to \$90.86 in August and from \$20.60 for a 20 lb cylinder to \$18.09. LPG has now reverted to \$108.63 for a 100 lb cylinder and \$21.73 for 20 lb cylinder because of the expansion programme which began only a few days ago.

The completion of our Deep Water Port is an occurrence that will have an impact on our economy. The handing over of this facility took place on 10th August this year. Once again I would like to acknowledge the contributions of the BDD, the CDB, CIDA, and the Government of Trinidad and Tobago to the construction of the facility.

We have continued to make significant strides in education and social and cultural development.

Civil Servants enjoyed a substantial increase in salaries and back pay and the long overdue Miller-Craig report was implemented. I would like to express my appreciation to those civil servants who served the Government faithfully and diligently throughout the year. I would like to invite those who gave less than their best, either deliberately or inadvertently, to mend their ways in 1982.

In 1981 Government took the policy decision to disband the regular defence force, a body for which there was no legal basis.

We were able to effect a smooth integration of most of the personnel into the police force and other branches of the civil service.

There were a few problem areas towards the end of 1981.

First there was the Bank of Commerce situation. The liquidity problem at the bank occurred because the people's money has been used for non banking activities to benefit some of those in charge but it has caused untold suffering to those who have been unable to draw upon their savings. The situation is especially distressing at this Christmas time. Having exercised restraint to allow the bank to correct the situation the Government is now prepared to take action to the limit that the law allows.

The untimely closure of the Medusa factory adversely affected several hundred workers. However, Government was able to ensure that the workers received 2 weeks pay. We are at present negotiating with other operators for the reopening of the factory early in 1982.

I think it is fair to say that this Government has shown an ability to maintain composure and yet act positively in times of stress.

It is clear that there are people who will stop at nothing to regain political power in this country. They set out to discredit and destroy. However, I believe that the evidence of positive achievement will triumph over lies, distortions and innuendoes. With your help and prayers we will achieve our goals.

/Every member of my Government recognises that we have a sacred duty to create conditions in this country so that the quality of life of our citizens can be improved.

/We also realise that we cannot do it alone. We need the help, guidance, cooperation and encouragement of our people. We seek to foster your greater involvement in community development and voluntary service./ [in italics]

CSO: 3025/171

GOVERNMENT SEEKS TO DEFUSE DISAGREEMENT WITH VENEZUELA

Diplomatic Overtures

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jan 82 p 1

[Text] Trinidad and Tobago is seeking a meeting early next month with the Venezuelan National Guards and members of the Joint Fishing Commission to defuse the explosive situation in the Gulf of Paria.

And while the two oil republics are making diplomatic overtures to settle the issue, Trinidad fishermen and Venezuelan National Guards are firing shots and fighting each other in the Serpent's Mouth, the narrow channel separating Cedros from Venezuela.

The latest incident took place two days ago when the Guardia Nacional who have stepped up their patrol on the border following a spate of poaching by Cedros shrimpers and an attack on one of their colleagues, fired several shots at fishermen who were operating near the mouth of the Coquin river.

Yesterday Venezuelan Ambassador in Port-of-Spain, Dr Ignacio Silva Sucre, said it was unfortunate that an incident erupted between the Trinidad fishermen and National Guards. Local fishermen who were in possession of the 60 permits issued by his Government were free to shrimp in the special zones in Venezuelan territorial waters, he said.

He was refuting a statement made by Cedros fishermen who said the National Guards told them to stay away from the zones even if they were in possession of valid permits.

Better Relations

Dr Silva said he was concerned over the situation and was working towards setting up an early meeting with the National Guards, fishing commissioners and fishermen in Guiria, Cumana, Tucupita and Pedernales and the authorities in Trinidad.

He said international relations between the two countries were improving rapidly; "we are so close we cannot change geography."

He welcomed the suggestion that a consular officer be posted in Pedernales or Tucupita, and said it would go a long way towards easing tension between the National Guards and Cedros fishermen.

Reports indicate that there is an atmosphere of war in the Gulf of Paria but this was not so, said the ambassador. Venezuela appreciated the statement by External Affairs Minister Dr. Basil Ince in Parliament who said relations between the two countries were cordial.

Dr Silva called on the Cedros fishermen with permits to go ahead and fish in Venezuelan waters, "don't be afraid".

Whitehall Statement

And a Whitehall statement last night gave a background of the incident and steps this country was taking to defuse the crisis.

Trinidad and Tobago's Ambassador in Caracas, Mrs Annette Auguste, is expected to visit Tucupita-Perderanles next week. She is to be accompanied by her First Secretary and a Venezuelan official.

Last weekend the Director and Assistant Director of the Frontiers Division were supposed to be in the Tucupita-Perderanles [as published] area to get first hand information on the situation.

The Ministry of External Affairs has instructed Mrs Auguste to press for a meeting of the Trinidad and Tobago-Venezuela Fisheries Commission and for a meeting early next month with the Venezuelan authorities including the National Guard.

The request has also been made through Dr Silva in Port-of-Spain.

Last March Government agreed that such a meeting should be held at a convenient date to be arranged through diplomatic channels for the purpose of adopting measures which would eliminate or reduce misunderstandings and arrests of Trinidad and Tobago fishermen.

The Venezuelan authorities, however, indicated at that time it was inadvisable to hold such meetings because they had anticipated changes in the personnel of the National Guards.

The Government of Trinidad and Tobago hopes that such a meeting would be held early next month to be followed by a meeting of the Trinidad and Tobago/Venezuela Fisheries Commission as established by Article 13(i) of the 1977 Trinidad and Tobago Fisheries Agreement which at present is in force until May 1983.

In response to the request for an early meeting with the authorities in Pedernales and Tucupita, Ambassador Auguste told the Ministry of External Affairs that the reaction from the Venezuelan Frontiers Division, the agency responsible for those matters, was that it might be better for such a meeting to be held a little later when the atmosphere had calmed and the present tension had been relieved.

Talks with Ambassador

Port-of-Spain TRINIDAD GUARDIAN in English 30 Jan 82 p 1

[Text] THE TENSE situation between the Trinidad and Tobago fishermen and the Venezuelan Coast Guard was discussed yesterday when the Venezuelan Ambassador, Dr.

Silva Sucre, paid a courtesy call and held lengthy discussions with Mr. Kamaluddin Mohammed, Minister of Agriculture, Lands and Food Production.

No official release of their discussions was made, but Mr. Mohammed, it is understood, took the opportunity to discuss with the ambassador the present tension existing between the local fishermen and the Venezuelan Coast Guard, in the light of certain incidents reported recently.

Mr. Mohammed, it was learned, assured the ambassador of the desire of the Trinidad and Tobago Government to maintain good relations with Venezuela. The Minister expressed the hope that everything would be done to bring about an atmosphere of calm and that local fishermen would continue, in accordance with terms of an agreement, to earn their livelihood in peace.

It is reported that the Minister informed the ambassador that since the last major incident no boats have left Trinidad waters to fish despite the fact that the fishermen hold legitimate permits to fish in Venezuelan water.

In addition, the Minister informed the ambassador that Venezuelan fishermen continued to fish freely off the north coast of Trinidad, particularly around Blanchisseuse, Maracas, and Las Cuevas.

Mr. Mohammed asked the ambassador that pending the forthcoming meeting of the Trinidad and Tobago/Venezuelan Commission due to be held early February, he should use his good office to have the Venezuelan authorities restore calm.

Ambassador Sucre assured the Minister of the goodwill and friendliness of the

Venezuelan Government and people. He hoped that a lot of what he called "exaggerated reports" which highlighted certain incidents would not affect such good relations between Trinidad and Tobago and Venezuela.

The ambassador promised to convey to his Government the details of matters discussed at the meeting.

A number of officials sat in at the talks. They included Mr. E. P. Alleyne, Permanent Secretary in the Ministry of Agriculture, Lands and Food Production; a representative of the Ministry of External Affairs, and officers of the Fisheries Division.

During the meeting, it was learned, various aspects of the fishing agreement between Trinidad and Tobago and Venezuela were discussed, as well as ways and means of easing the present tension, and avoiding the frequency of such incidents in future.

CSO: 3025/172

SENATOR CALLS FOR RESOLUTION OF PROBLEMS INVOLVING TOBAGO

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jan 82 p 3

[Text]

INDEPENDENT
 Senator Olive Sawyer has called for an ironing out of problems between Central Government and the Tobago House of Assembly so that operations could run smoothly and Tobago could be able to participate in productivity.

Speaking during debate on the 1982 Budget in the Senate on Wednesday said that there were some problems to be ironed out and she hoped this would be done quickly.

Senator Sawyer, who is from Tobago and is a retired senior community development officer, said she would be happy if the boroughs on Trinidad could be given some more autonomy so that they, too, could produce more.

"We are going to do it in Tobago with the House of Assembly," she said.

It was her maiden speech in the Senate and she began by drawing attention to the airport in Tobago. She said she understood that the Avros which were used between Trinidad and Tobago were going to be phased out and replaced by the DC-9.

She wanted to know how soon the phasing out was going to take place and whether there would be improvement to the Crown Point Airport to accommodate the jets.

On sea connections be-

tween the two islands, Senator Sawyer questioned what the situation would be when the contract for the M.V. Gelting expired in October this year and alternative vessels were not received.

She asked for assurance that Tobago would not go back to the unhappy days of no food when there were no boats to transport food-stuff between the islands.

Senator Sawyer was pleased at the allocation for a performing art centre and youth centre and called for its early establishment so that latent talents among youths could be fully developed.

On the Best Village Programme, she suggested that instead of folk concerts annually, one year should be devoted to food preparation, another to competition in handicraft and one to folk concerts.

Senator Sawyer said that from a survey it was found that no real day care for children was available in Tobago.

She said the Child Welfare League branch in Tobago had applied to build a model day care centre on lands which had already been purchased. When the application was made in 1979 it would have cost \$499,000 but in 1981 it skyrocketed to \$611,000 while it would go up ten per cent in 1982.

In 1979 the branch had \$72,000 and at the end of 1981 the League had \$112,000.

Because of the delay in getting our application processed somewhere along the line we have been thrown in the predicament of finding our part of the cost," she said.

INCE: NATION WILL PURSUE ACTIVE, DYNAMIC FOREIGN POLICY

Regional Emphasis

Port-of-Spain TRINIDAD GUARDIAN in English 28 Jan 82 p 1

[Text] Trinidad and Tobago's foreign policy will be a dynamic and active policy, keeping abreast, anticipating and initiating events, according to External Affairs Minister, Dr. Basil Ince.

The policy will continue to strengthen the country's capacity to generate and accumulate capital in Trinidad and Tobago and a crucial part will be to strengthen the capacities of the sister Caricom countries to do the same.

Dr. Ince outlined the foreign policies during debate on the 1982 Budget in the Senate on Tuesday night.

The External Affairs Minister referred to "basic postulates which will guide our ensuing discourse on Trinidad and Tobago's foreign policy in the 1980's."

He said:

"We need the conscious acceptance that the Caribbean is a part of the world system and that the world and its influence in the Caribbean cannot be wished away.

'Wise Men'

"We need to realise that the Caribbean is the unique part of the world system by virtue of its contribution to this system and its long participation in its evolution.

"We need to know that the term Caribbean is not merely a geographic concept but a political, cultural concept that describes as it situates a small part of the western hemisphere in both the evolution and in the meaning of world history.:

Explaining Government's position on Caricom, Senator Ince said that Government had agreed in principle with the report of the committee chaired by Mr. William Demas, President of the Caribbean Development Bank.

The committee is referred to as the "Wise men committee."

He said that Government agreed in principle with the findings of the committee and Government had expressed its reservations about the negative and inhibiting

effects for intraregional trade posed by state trading companies and public procurement agencies.

Good Relations

"While it agrees with the need to identify and to locate high import potential in the industries in the region and particularly in the LDC's, all relevant factors must, however, be taken into account in such determining of location and siting of such industries."

Referring to points raised by Opposition Senator Sahadeo Basdeo in relation to the border dispute between Venezuela and Guyana and for Government's plans for resolving the dispute after the Protocol of Port of Spain expires, he said Trinidad and Tobago stands ready to mediate.

Senator Ince said:

"When this protocol expires, or as a matter of fact even before it expires, Trinidad and Tobago stands ready to mediate between both these nations both of which we have cordial relations with."

He pointed out that the late Prime Minister played an important mediatory role between Guyana and Venezuela some years ago and it was from that role that the Protocol of Port of Spain emerged.

On another plane, he noted that Trinidad and Tobago had friendly relations with several Latin American countries.

Commenting on the Caribbean Basin plan, he said:

"We have paid particular attention to this initiative by the United States and the other countries involved. We have heard the viewpoints, very often negative of Canada, for example, and some of our sister states in the region.

"We, too, have some problems with some of the emphasis of that Caribbean Basin plan," he added, and went on: "We would question for one thing the emphasis on the role of the private sector."

Senator Ince said Government's commitment to Caricom remained firm. Its concern for its sister states of the region continued to influence its foreign policy in the provision of aid through the Caribbean Integration Fund.

He added: "I do not believe that there is any member of the Senate who will question the basis of this foreign policy based on regional concern and regional integration.

Need for Peace

"Within the context of our differences, the Government of Trinidad and Tobago recognises the need for peace, stability and development within the region and in the pursuit of these objectives, it seeks within its limited means to provide assistance and to achieve technical cooperation with its neighbours in the Caribbean community."

Referring to Government-to-Government arrangements and training in relation to the arrangements, he said that while the foreign firm may have benefited from the local firm's expertise he could assure that the distribution of benefits had been two ways.

"Government-to-Government arrangements may have been a disappointment in many ways, but then, one thing worse than these disappointments would be if we were to learn nothing positive from them to encourage our developmental efforts to generate, conserve and hence to accumulate capital in Trinidad and Tobago for the well-being of our people."

He hoped that soon Government would be in a position to tell the country "what we have learned from these arrangements and how we intend to use that to our advantage in the execution of our foreign policy."

Relations with Venezuela

Port-of-Spain TRINIDAD GUARDIAN in English 28 Jan 82 p 1

[Text] Trinidad and Tobago has cordial relations with Venezuela. However, friction between fishermen will continue from time to time regardless of agreements reached between the two countries, according to Senator Basil Ince, Minister of External Affairs.

He was speaking during debate on the 1982 Budget and was replying to Opposition comments made on the friction between the fishermen of both countries.

He said that the Ministry had under consideration the position of individuals to Pedernales in Venezuela to assist fishermen with their problems.

Opposition Senator Sahadeo Basdeo, had earlier called for some degree of more pleasant association and rapport with Venezuela than exists now. He said Venezuela was too large, too powerful and too close to ignore and suggested more co-operation, trade and two-way tourism, all of which could help in establishing lasting and proper relations.

Editorial on Ties with Venezuela

Port-of-Spain TRINIDAD GUARDIAN in English 28 Jan 82 p 8

[Text] Perhaps the time has come for us to consider a fresh initiative in our relations with the neighbouring republic of Venezuela.

This may be something for our new Minister of External Affairs, Dr. Basil Ince, to think about, not only because of the escalating problems of our fishermen who operate in Venezuelan waters, but because it must be in our best interest to re-establish the most active and friendly relations with the nation closest to our shores.

The official links between us and the Venezuelans are little more than nominal at present.

In fact, our relations with Venezuela have not improved to any significant extent since those cold days in the mid 1970s when the late Prime Minister Dr. Eric Williams shocked the region by openly accusing the former Venezuelan President Carlos Andres Perez of harbouring imperialist designs on the Caribbean.

In the eyes of many West Indian states, Venezuela thus acquired the image of a well-armed bogeyman preparing to use its oil wealth or its military power to establish a foothold or some sphere of influence in the region.

Ambassadors

Events since then have proved otherwise. Our immediate South American neighbour has made no political or military move against any Caribbean territory and, as far as we are concerned, Venezuela has, through its excellent ambassadors and the cultural activities of the Andres Bello Institute, maintained a good profile.

It is true that Venezuela has created some concern throughout the Caribbean by reviving its old border dispute with Guyana, claiming about one-third of the territory of the Co-operative Republic. Still, Venezuela has made it clear that it has no intention of invading Guyana or pursuing a military settlement.

Trinidad and Tobago have already played an important mediatorial part in this dispute and if we are prepared to continue in that role then surely we should seek to have the best possible relations with both parties.

But apart from this dispute, contemporary events also seem to indicate the need for us to get closer to the Venezuelans.

No longer an idyllic backwater, the Caribbean has been thrust headlong into the turbulent arena of international power politics. With a Marxist dictatorship in Grenada, the vulnerability of the tiny, indigent West Indian islands has been exposed and they have become easy prey to alien forces.

To counter this threat, the United States, together with three of the most powerful nations of the hemisphere--Canada, Mexico and Venezuela--have come forward with a new initiative for assisting the region, the Caribbean Basin Plan, which promises for the first time to meet in a substantial and practical way the urgent developmental needs of the countries of the region.

If Venezuela is going to be a serious partner in this plan then surely it must have the best interest of the region at heart as it will be working together with the three other major oil-producing countries of the hemisphere to fashion a useful aid package for the Caribbean basin.

But, of course, the most urgent of reasons is the dangerous situation that has arisen between our fishermen and the Venezuelan Coast Guard.

It now appears that nothing less than discussions at the highest level will be able to produce some enforceable and lasting solution to this problem which now threatens to erupt into serious violence and bloodshed.

Mixed Commission

The lastest development is a complete shut-out of our fishermen from Venezuelan fishing grounds by the Venezuelan coast guard patrols. [as published] This has brought the fishing industry off Trinidad's south west peninsula to a virtual standstill.

Looking back on the relations between us and the Venezuelans we wonder whatever became of the Mixed Commission which met alternatively in both countries.

The commission was not simply a mechanism for solving problems, but more vitally of working out programmes of co-operation including trade and technological exchange, social and cultural activities.

Perhaps it's time to seek a resurrection of the Mixed Commission.

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FINANCE MINISTER DEFENDS NATION'S SOLVENCY IN BUDGET TALK

Port-of-Spain TRINIDAD GUARDIAN in English 30 Jan 82 p 1

[Text]

TRINIDAD and Tobago is not bankrupt and there is no panic situation in the country, according to Senator Anthony Jacelon, Minister in the Ministry of Finance and Planning. He gave this assurance while winding up the debate on the 1982 Budget in the Senate on Thursday night.

Replying to comments made during the debate, he said: "There is not a panic situation in Trinidad and Tobago, it is simply if we do not take strict measures now then we are going to be in trouble.

"That is the sole purpose of the 1982 Budget," he explained.

"We are not bankrupt or anywhere near bankrupt, we are still one of the most buoyant economies in the Western Hemisphere," he said.

"We not only have a balanced budget," he said, "but a revenue surplus budget. It is not only balanced, it is quite healthy."

Senator Jacelon, referring to discipline in the public service mentioned in the debate, said there was no question of a witch hunt. It simply was that they recognised that there was a deficiency and an attempt was being made to set that deficiency right.

"We simply have to look at the staff who are servicing us and see the competent work they are doing," he said.

He explained that Government was not saying that the public service was not working, what they were saying was there was a deficiency.

The present machinery for discipline, he said, was cumbersome and it sometimes took two to three years to get a hearing.

Senator Jacelon said he agreed with Senator Olive Sawyer that differences between the Central Government and the Tobago House of Assembly should be ironed out as soon as possible and he said-he was again offering the hand of co-operation and friendship to the Tobago House of Assembly.

On taxation, he noted that the Minister of Finance had deferred the question until the consultation on productivity.

He did not agree with the suggestion by Senator Ashford Sinanan that a committee on government assurances should be established.

Comments on fusion, he said, had given him food for thought.

Senator Jacelon said he intended to hold a seminar for senior civil servants to explain to them how the budget worked since many of them did not know....drawing attention to the number of budget documents.

He congratulated members on the high-standard of debate and said there was a lack of acrimony and senseless emotional attacks.

"It appears as though we are going to have a good standard of debate in the future," he said.

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BRIEFS

MALICIOUS CANE FIRES--Caroni Limited is expected to suffer a loss of more than \$50 million by the end of the 1982 crop, if malicious fires continue. Already the company has lost more than \$2 million as a result of such fires throughout its operations in north, central and south Trinidad, said a company spokesman yesterday. He pointed out the company was worried over the present state of affairs and hoped that the All Trinidad Sugar and General Workers Trade Union would assist in whatever way possible in putting an end to such incidents. The spokesman recalled that the union in 1979, had joined a campaign in support of the company's programme to prevent unplanned fires. He said that whenever a malicious fire took place, young canes were also destroyed. He noted that at the moment the company was finding it difficult to take out all the burnt canes because before cleaning up one field or another was found on fire. The malicious fires, it was pointed out, were taking place between the hours of 10 a.m. and 2 p.m.
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